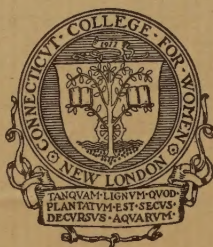


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A HISTORY
OF THE
COLONY OF VICTORIA
FROM ITS DISCOVERY TO ITS ABSORPTION
INTO THE
COMMONWEALTH OF AUSTRALIA

BY

HENRY GYLES TURNER

FELLOW OF THE INSTITUTE OF BANKERS, LONDON
FELLOW OF THE ROYAL GEOGRAPHICAL SOCIETY, LONDON, &c., &c.

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THE FIRST DECADE
OF THE
AUSTRALIAN COMMONWEALTH

THE FIRST DECADE
OF THE
AUSTRALIAN COMMONWEALTH
A CHRONICLE OF
CONTEMPORARY POLITICS
1901 - 1910

BY

HENRY GYLES TURNER

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AUTHOR OF

"A HISTORY OF THE COLONY OF VICTORIA,"

&c. &c.

"TETCHY AND WAYWARD WAS THY INFANCY."

—RICHARD III., Act iv., Sc. iv.

Melbourne

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1911

PREFACE

It is generally held that personal predilection, or unconscious bias, renders an impartial review of contemporary history an all-but-impossible task; that anything written in the full glare of publicity can, at best, only be regarded as material for a year-book or the columns of a daily journal. The whole truth about political events seldom lies on the surface. The true inwardness of some of the moves on the political chess-board is often not discerned for years, and in the meantime the motives of the actors are possibly unfairly decried or unduly exalted.

Yet, if history is "philosophy teaching by examples," it must surely be desirable that the record of those examples should have the chance of verification before the distorting influence of subsequent events has blurred their outline, or minimised their importance. The setters-forth of those facts, "the hodmen of literature" are not without their value to the philosophic historian, who, in another century, may seek to work out the harmonious relations of cause and effect in connection with national development.

The narrative in the following pages will be but as an oft-told story to the readers of to-day; but, by its concentration and consecutiveness, it will help to focus in their minds the sum of what has been done, and what has been left undone, by the Commonwealth Government in the days of its infancy. I hope it will be found not altogether useless in the present, as well as in the future.

The year which closed the first decade of the Commonwealth was one of unprecedented prosperity for Australia. The steady growth of immigration, which, after a long period of stagnation, set in during 1910, augurs well for the future. This

prosperity owes nothing to legislation. It is to the increase in our great staples of productive industry, which alone can face the markets of the world—our wheat, wool, meat, and butter—helped by three or four years of generous seasons, that the community owes its ability to spend freely and to live happily. The bounty of Nature is bestowed universally: it smiles more generously upon the industrious than upon the idle; but it does not, like political “bounties,” aim at making one section of the people rich by tapping the pockets of another. A cycle of unfavorable seasons, which we dare not hope to escape altogether, will test many of our legislative palliatives with much angry questioning.

The Labor Party, which rules the destinies of Australia to-day, is largely composed of comparatively young men. Many of them have everything to learn as to the functions of Government. Fortunately for their reputation in wisdom, they are not encouraged to supply any initiative. Proposals are framed elsewhere; theirs but to help in carrying them out. Mr. Attorney-General Hughes said, within the last few weeks, the Labor Party will take “nothing less than entire control of industry, and of trade and commerce.” In plain language this means that the forces of Government are to continue to be so directed towards ensuring high wages and short hours of work for the class which they represent. It is not surprising, it is not even uncommon, for history has many such records. The dominant party has the power, and uses it for the supposed benefit of the class to which it is attached. But what makes it reprehensible is the pretence—the feeble pretence—that they are not doing it, but aiming at even justice to every worker and non-worker in the community.

If, by the grace of God and the might of the British Empire, we escape foreign domination, and are able peacefully to develop this continent, it will require all the wisdom of our political leaders to save us from a bureaucratic tyranny that will either kill all aspirations for personal liberty, or evoke a reaction, fraught with the gravest danger to our inherited traditions.

It only remains to add that such opinions as I have expressed of the actors in the political drama are entirely based on their own officially-reported utterances. I have never attended a Parliamentary debate, so am uninfluenced by personal predilection, and untouched by that magnetic spell which some orators can cast over even an unwilling listener. I count a few Federal Members among my personal friends, but I have sedulously avoided discussing political questions with them. Whether my deductions are right or wrong, I can say that they have been conscientiously arrived at, and, that in forming them, I have asked no man's advice or opinion.

HENRY GYLES TURNER.

"BUNDALOHN,"

ST. KILDA, *2nd January, 1911.*

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CHAPTER I.

INTRODUCTORY.

THE first day of January, 1901, the birthday of the second Commonwealth owing allegiance to the British Crown, was ushered in with demonstrations of wide-spread enthusiasm throughout Australia. The pomp of military and civil display, the blare of trumpets, the roar of artillery, the fluttering of flags, and the brilliancy of illuminations in the cities, with the glare of bonfires on hundreds of hills throughout the country, were the outward and visible signs by which the people expressed their joy at the consummation of their wishes. The prospect of amalgamating the interests of six Colonies, having conflicting, and sometimes retaliatory laws, into one united people with common interests, and common aspirations, had been dangled before the community for more than a dozen years. At last it was an accomplished fact; and though there were some dissentients, whose opposition was based rather upon suggested defects in the Constitution than on the general principle of union, the vast majority were heedlessly confident that they were entering upon the responsibilities of nationhood, under conditions of happy augury and roseate promise.

The details of the rise and progress of the Federal movement need no record here. The admirable work and conscientious labors of the band of patriotic men who completed this history-making epoch have been fully set forth already by many competent writers. It will suffice to glance at what the people were led to expect by the utterances of their leaders, to note how much more than they were promised their emotional enthusiasm led them to look for, and then, in the cold light of subsequent facts, to see how far their anticipations have been realised.

There is no doubt that the conditions which pointed to the union of interests were most promising. The Colonies were severally prosperous, and, with the single exception of an inadequate growth of population, were progressing in both social and material aspects. Scarcely any country in the world contained a larger proportion of well-to-do inhabitants. There were no glaring extremes of accumulated wealth, and none but the merest accidental occasions of undeserved poverty. In the many avenues which lead to the development of a new country, the road to success in life could be commanded by all who had health, strength, and energy to follow it. Nowhere else could there be found a more favorable field for the "equality of opportunity in the pursuit of happiness." But, unfortunately, a tendency grew up amongst a section of the population to regard the "pursuit" as a function pertaining to Government, whose duty was assumed to be to hand over to the masses, when captured, the desired happiness for their enjoyment without any preliminary struggle.

It is a regrettable fact that the electioneering addresses of a number of the candidates for the first Federal Parliament were couched in language that played down to this sentiment. It was vaguely implied and tacitly assumed that legislation by a Parliament, composed of a carefully-selected group of the most experienced political administrators, could remedy all wrongs, remove all disabilities, and ensure content and prosperity to all men. But though theoretically universal in their application, these vague predictions had reference mainly to the position of the artisan and the laborer, skilled or unskilled, whose vote from its numerical strength, was of more importance to the aspiring politician than that of the employer of labor or of the professional classes.

Without doubt the mass of electors carrying the banner of the Labor Party showed greater unity of purpose and a more abundant reliance on the fruition of their claims than those who were ever more ready to protest than to fight. In the minds of many of the latter class, while the aims of the Labor Party were vaguely associated with the designs of the advanced

Socialists, they were ready to tell themselves that Socialism, as they understood it, was impracticable. It was hardly worth organising to fight it. Long before it could arrive in the arena of practical politics, a reaction would set in, and property would come to its own again. This was confounding two factors which had not entirely a common objective. The Labor Party, while smiling pleasantly upon their Socialist supporters, took good care not to hamper their own proceedings by any pronounced alliance with their revolutionary talk. And when they acquired Ministerial dignity, they repulsed the overtures of the orators in the Sydney Domain and the Yarra Bank with a bluntness that called forth execrations in the Socialist journals. The Labor Party attended strictly to their own business, and from the first assembling of a Commonwealth Parliament they grew apace so steadily that it is surprising how the other political parties remained apparently unsuspecting of their coming eclipse. In the first Federal Parliament there were 24 Labor Members in both Houses. To-day there are 65, with substantial majorities in each Chamber; while in the State Parliaments the number of Labor Members has just doubled in the same period, and two are ruled by Labor Ministries. As they grew in numbers, they were constrained by the pressure of their outside supporters to publish their determination not to enter into any alliance either with the so-called Liberals, or the party that faced them on the Opposition benches. This triad of parties, no one of which could command a majority, was the main cause of the lean result of ten years' working. At many festive boards, when Mr. Deakin poured forth his oratory, it was often mingled with the plaintive admission that he could not play the game while there were three elevens in the field, and the humorous definition passed into common parlance. How serious it became, and how far it was responsible for shortening the lives and nullifying the good intentions of the many administrations, that came in with generous promise, and went out with aspirations unfulfilled, may be gleaned from the following pages.

Perhaps the most important subjects which it was anticipated

would be dealt with satisfactorily under Federation were FINANCE, DEFENCE, and IMMIGRATION. In regard to the first, although Section 105 of the Constitution is permissive, and not mandatory, as originally proposed in Convention, it was generally expected that the Federal Government would take over the whole of the State debts forthwith. By taking advantage of favorable conditions of the money market for consolidating the various loans into one uniform "Australian Consols," they might effect some saving of interest. This was continually dwelt upon in the pre-federal days, often with much ignorant exaggeration of the possible saving. It has to be admitted that the opposition to giving effect to it was entirely from the States. It naturally followed on such a step that the local Parliaments could not go on piling up fresh obligations independently of the Commonwealth, and to such a restriction they were unwilling to submit. A sound reason for the contemplated transfer being an initial step was that the necessary result of the Commonwealth having undertaken heavy liabilities from the commencement would lead to a closer and more careful scrutiny of every item of public expenditure. This would have imbued them at the outset of their career with habits of closer economy. On the other hand, having come into possession of unexpectedly large surpluses, not specifically appropriated, a tendency to extravagance was fostered, perhaps even more noticeably in the States than in the Commonwealth.

Partly owing to the extension of the Protectionist Tariff to New South Wales, the one-fourth of the revenue from Customs and Excise, which the Commonwealth could retain for its own expenditure, greatly exceeded the anticipated income. For the first eight years the Federal Government construed the claims of the States to surplus revenue on very generous lines. It was certainly with a grave disregard of the requirements of the services taken over by the Commonwealth that they so limited the expenditure on their upkeep as to hand over to the States upwards of six millions sterling in excess of their legal three-fourths of the revenue. The most flagrant case was that of the Postal, Telegraph, and Telephone Department, which,

under its changed control, became a constant source of irritation and complaint with the commercial section of the community. It was under-manned, under-paid, and inefficient. A third part of the surpluses, which partly resulted from its starvation, would have placed it on a footing to conduct its important business, under efficient management, on lines more in keeping with the legitimate demands of the public.

In the pre-federal conferences the extra cost to be entailed by the Commonwealth Government was lengthily and vehemently discussed. In the end a balance of opinion fixed it at £300,000, under the following headings:—

Governor-General and Staff	...	...	£17,500
Executive	...	...	14,000
Legislature	...	...	112,000
Civil Establishments	...	...	18,500
Treasury	...	...	20,000
Judiciary	...	...	25,000
Interstate Commission	...	...	8,000
Public Buildings and Maintenance		...	55,000
Add for Contingencies	...	...	30,000
			£300,000

This was admittedly very moderate. It was even supposed that the large savings to arise from the abolition of the interstate Customs posts, the concentration of that branch of the revenue under a central administration, and a like treatment of the Post and Telegraph Department, would go far towards meeting the new outlay. The actual "new" expenditure of the Commonwealth for the first year was £225,288.

On the 27th September, 1910, Mr. Fisher laid on the table a return showing the "annual cost of Federation" at £615,784. But this was only an arbitrary selection of items, which it is not possible to set exactly against the pre-federal estimate. The increase in the cost of Parliament of £50,000 per annum was noticeable. About half of this was due to the increased pay which the legislators voted to themselves, and the balance to

extravagant expenditure, over which there was no restrictive supervision. Excepting the Interstate Commission, which did not succeed in getting a start, all the other items were substantially increased. But the whole return was a mere unimportant annexe to the total Federal expenditure, which was estimated for 1910-11 at over £11,500,000. This included £2,686,000 under the head of Defence, £2,070,000 for Old Age and Invalid Pensions, about £650,000 for sugar and other bounties, and the large sum of £4,408,000 for the rehabilitation of the Post and Telegraph Department. It is only fair to say that this last outlay seemed to be quite justified by the estimated revenue of £3,900,000.

The limitation of the Braddon clause to ten years, which was secured by Mr. G. H. Reid as one of the concessions which brought New South Wales into the fold, compelled some decisive action before 1910. Owing to the conflicting interests which gradually developed out of ten official conferences with the State Premiers, and the flood of Parliamentary declamation thereon, which filled thousands of pages of the reported debates, it was not until September, 1910, that the subject was laid to rest for ten years by the Surplus Revenue Act, No. 8, of 1910.

The important question of DEFENCE, as to which the Governor-General's speech on the 10th of May, 1901, promised legislation "as soon as practicable," suffered similar hindrance by the protracted debates which it invariably evoked. The many-sided aspects of National Defence was a theme in the handling of which every legislator, every editor, nay, every stripling on the Press, and the orators at clubs or street corners, became impressed with the idea that they had something to say worth listening to. The propositions of trained military officials, imported for the purpose of advising, were criticised and often derided by amateurs who had hardly handled a gun, or seen anything more exciting than a volunteer review.

But Defence was one of the duties which, under the Constitution, passed by proclamation to the Federal Government, and Sir John Forrest was duly gazetted Minister of Defence before the first Parliament met. To handle the 28,000 men who,

under various regulations, served the respective States as "permanent," "militia," or "volunteers," their control and administration were centred in a Headquarters Staff, with a General Officer commanding. The small contingent of naval brigade men, numbering about a thousand, and the little vessels which three of the States maintained in commission, were placed under the charge of a Naval Officer Commanding.

The first Defence Act, passed in October, 1903, was largely a machinery measure, enabling certain things to be done. The second Act, in December, 1904, dealt with further changes in the machinery and regulations. But both these Acts were mere transfers of the powers to be found in the Acts of the various States at the date of Federation, and some years passed before any serious attempt was made to grapple with the subject of Defence as a comprehensive policy. The proposals of Major-General Sir Edward Hutton involved an outlay which so frightened Sir Edmund Barton that he promptly cut down the military estimates by £160,000, and the Leader of the Labor Party further reduced them by another £60,000, leaving the General Officer Commanding little to do beyond "marking time." In January, 1905, a Council of Defence was established to deal with questions of policy, and a Military Board to control the administration of the forces. By this time, however, the strength of the men taken over from the States had dropped from 28,800 to 20,400. No doubt some efficient work was done by these bodies, but it is in the nature of such work not to show very much on the surface.

The Press generally began to ascribe apathy and indifference to the Department. Some of the more radical and irresponsible journals alleged, in violent terms, incapacity. Some endeavoured to stimulate public action in the matter by dilating upon the prospects and horrors of invasion. With a reckless disregard of the first principles of international amity, they seized on ridiculous rumors, and wrote of the intentions of foreign Governments with an air of assured knowledge. In particular, Japan and Germany were accused of predatory instincts, and aggressive intentions, in language which, between

man and man, would certainly have led to a breach of the peace. Intemperate and injudicious as was the form of its expression, the clamor was not unjustifiable. Through all the pre-federal conferences the greatest stress had been laid upon the gain which would result to Australia by a combined attitude in the matter of Defence. The recognised necessity for a national scheme had vitalised the Federal movement when it languished, and was an important factor in its consummation.

At length, towards the close of 1907, Mr. Deakin, then Prime Minister, laid before Parliament the outlines of a comprehensive scheme which the Government proposed to adopt. After an interval of nine months spent in revising the scheme with the aid of experts, and reducing it to statutory form, it was submitted to the House on 24th September, 1908. On the second reading a few days later, a debate commenced which dragged on intermittingly until the crisis in November of that year removed the Deakin Government from office. A year later another deal of the political cards put Mr. Deakin in power once more, and the Fusion Government was strong enough to succeed in passing the "Defence Act 1909" at the close of that year. It was to come into operation on a date to be proclaimed, and before that proclamation was issued the Government that stood sponsor for it had ceased to exist. The Labor Government that was "in" brought down a Defence Bill of its own, and a proof of the realisability or otherwise of the many excellent theories of Defence, which have been so vigorously talked about for ten years, has to be relegated to the annals of the second decade of the Commonwealth.

And the question of IMMIGRATION fared no better. Theoretically, the responsible authorities in all the States agreed that a steady flow of suitable immigrants was a most important factor in national development. They were at variance as to the meaning to be put on the word "suitable." Even at some of the conferences of State Premiers there were delegates who did not hesitate to oppose the idea of encouraging artisans and skilled mechanics. Many would limit their welcome to healthy agricultural laborers, or farmers with some capital. After five

or six years of windy negotiation, the most which the States were willing to concede was to approve of the Federal Government spending a few thousands a year in advertising the resources of Australia, and referring all applicants attracted thereby to the several Agents-General in London. It was a humiliating position for the higher authority to accept, but as the Commonwealth owned no land, and had no responsible official representation in London, it appeared to be the only way in which it could assist to populate the country. It counts for righteousness to Mr. Deakin that, in his anxiety to attract immigrants, he submitted to the churlish rebuffs with which his overtures were met. A man less disposed to wear the velvet glove would probably have found means to arm himself with Federal legislation on the subject before offering tentative suggestions to the States, and even if he had taken drastic steps he would have had the support of all worth conciliating, for it was manifest that neither interstate jealousy, nor the ever-present fear of Commonwealth encroachment, covered all the ground of opposition. Behind it lay the Labor Councils and organisations throughout the land, and when they saw symptoms of a moderate desire to do something towards peopling the country, they promptly cabled to the Labor Councils and Trades Unions of Great Britain to do all in their power to warn off intending immigrants. They subsidised unscrupulous demagogues like Tom Mann and Ben. Tillett to keep the English papers supplied with scandalous paragraphs about the hopeless and poverty-stricken denizens of Australia. The last-named writer succeeded in getting the "Daily Mail," in London, to publish his statement that there were 100,000 men, women, and children in absolute destitution in Victoria, and that from 8000 to 9000 children died every year for want of food.

Independent efforts were made from time to time, notably by Queensland and Western Australia, to help in peopling their barren spaces; but no combined national movement was attempted, such as had increased the population of Canada by an influx of over 2,000,000 persons since the beginning of this

century. Hence, the actual increase of population in the Commonwealth, from external sources during the ten years under review, was under 100,000, and the bulk of this increase accrued during the last three years.

The failure of the Federal Government to appoint a High Commissioner to represent them with dignity in Imperial affairs, though often adversely commented on, was not difficult to understand. In the caballing which is expressed by eight administrations in the course of nine years, the power of bestowing such a valuable appointment was something to conjure with so long as the honor and emoluments were unallotted. The national consideration of securing the ablest man, from whatever source, was subordinated to the idea that it was a prize naturally pertaining to political services. The possibility of placating a powerful opponent, or the necessity of rewarding a supporter who had saved the situation, could not be ignored in the ever-present strife between the ins and the outs. Vague suggestions of securing the services of a retired Governor, even of a Governor-General, bubbled on the surface; but no Cabinet seriously contemplated a step that would have arrayed supporters and Opposition alike against them.

Meanwhile, the Commonwealth remained unrepresented diplomatically in London, and questions of policy, in which Imperial and Commonwealth interests occasionally clashed, had to be discussed with, and reported upon, by comparatively subordinate officers. In view of the lordly manner in which the interests of the Dominion of Canada were represented in London, Australia suffered in prestige in the eyes of the British public, and for nearly ten years certainly lost much of her attractiveness as a field for emigrants. It was with very general approval that the people of Australia hailed the final act of the Fusion Government in at last filling this appointment. And there were few indeed who did not readily admit that in Sir George Houston Reid they had selected a man eminently fitted by capacity and temperament to represent them acceptably in the Mother Country.

CHAPTER II.

THE PRELIMINARIES OF GOVERNMENT.

THE first step to be taken by the Home Government, after the passing of the Constitution Act, was to appoint a Governor-General. It was with a feeling of general satisfaction that Australia learned, in October, 1900, of the nomination of the Earl of Hopetoun to that important office. During his term as Governor of Victoria (1889-1895) he had won the personal regard of the community by his genial, unaffected interest in their affairs, his manly participation in their sports, and his generous liberality in support of their philanthropic movements. It was not forgotten that one of his last public utterances when leaving Melbourne had been an urgent appeal to Victoria to concentrate every energy to bring about that Federal Union, which was then only beginning to show signs of emerging from the visionary into the practical. Moreover, his previous experience of Australia had unhappily been gained during the darkest period of the great financial crisis which closed the century. It seemed only a fair recompense that he should return to the much wider sphere of duty when the country was once more on the high road to prosperity, radiant with new-born hopes, and full of enthusiasm for that change in Government of which he was the Imperial symbol.

Lord Hopetoun was not a man of robust physique, and a serious illness which befell him on the voyage to Australia gave an added touch of sympathetic regard to the many addresses of welcome tendered on his arrival. Looking back upon the enthusiasm displayed on that occasion, the almost universal approval of the appointment, and the ornate displays of the people's satisfaction, the *finale* of his Australian career comes as something of a shock. In a little more than a year

his Parliamentary masters refused him a "living wage"—as Governors-General understand that popular catchword—and he had regretfully to abandon his public position, rather than encumber his private estate.

But these sinister troubles were hidden in the future. In 1900 all was rosy anticipation. The shaping of the machinery which was to work the new Constitution and inaugurate the "glorious future," for which all men looked, was confided to a trusted representative of the Queen, on whose impartiality and ability the whole community relied with confidence.

Nevertheless, the responsibility was great. In the absence of a Parliament which could express the will of the people, the young Governor-General had to select, on his own judgment, the men who were primarily to be entrusted with shaping the policy of the Commonwealth.

It was a foregone conclusion that the leadership of the first Federal Ministry ought to be offered to the Premier of the senior Colony. Relying upon this, the politics of New South Wales during the last year of its colonial existence had been the arena of stormy contentions between the supporters of Mr. G. H. Reid and Mr. W. J. Lyne to secure for their favorite the coveted position on the date of the birth of the Commonwealth.

With the aid of the Labor Party, rapidly becoming a dominant factor in Australian politics, whose platform he unreservedly adopted, Mr. Lyne discomfited his rival, and held the Premiership when Lord Hopetoun arrived. The right to the first call appeared to be his by virtue of his office. But this was his only claim to consideration. He had long been one of the sturdiest opponents of the Federal movement. He fought continuously for supposed advantages, and the granting of special concessions to New South Wales. His career as leader of the Opposition and as Premier in that State had been marked by the narrowest provincialism. He was a Protectionist of a type that bordered on prohibition, and he was in thralldom to the Labor Party, to whom he owed his position.

As the reigning Premier of the Mother Colony, Lord Hopetoun requested that Mr. Lyne would undertake the formation

of a Ministry, and submit the names to him. The various rumors as to the people he approached for that purpose, which appeared in the local Press, may or may not be true. The details of his quest have never yet been authoritatively published. He worked hard, even to the extent of obtaining an extension of time from the Governor-General, but in the end was obliged to confess failure.

Whatever his feelings may have been towards his political associates who had rebuffed him, his loyalty to New South Wales remained unshaken, and in announcing his defeat, he recommended His Excellency to entrust the duty to Mr. Edmund Barton, then an unofficial member of the Legislative Council of that State.

That gentleman was called to the important position of first Prime Minister of the Commonwealth in the 51st year of his age. Born in Sydney, the brilliant successes of his earlier career took on a kind of national importance in the estimation of the rapidly growing Australian Natives' Association. In the State Parliament of New South Wales, in which at first he represented the Sydney University, he had played many important parts—Speaker, Acting-Premier, Attorney-General, and Leader of the Opposition in turn. His admirers fixed upon him the somewhat exacting title of "Australia's noblest son," a designation which, doubtless, he found it hard to live up to. His commanding pre-eminence in a gathering, his dignified presence, and what has been called the "oratorical largeness of his utterances," seemed to mark him out for a leader; and as their leader he was unanimously chosen by the National Convention, which in 1897-8 framed the Constitution Bill for the coming Commonwealth.

As the Bill in question had been mainly, if not entirely, drafted by him, and as he had long been known as one of the ablest workers for the cause of Federation, his commission by the Governor-General to form the first Federal Ministry met with very general approbation. It is true that in the matter of party politics he had not shown the astuteness of Messrs. Reid and Lyne, who in their struggles for precedence had prac-

tically jockeyed him out of his position in the New South Wales Parliament. It is true, also, that the Bill which he piloted through the Convention had to be amended to meet the demands of the Mother Colony. But his appointment was welcomed under the optimistic belief that the great issues which lay before the country would be more readily realised by a man of lofty ideals, touched with conservatism, and a recognised authority on Constitutional law, rather than by men whose ideas of statesmanship were concentrated on the study of the means—not always creditable—by which the Treasury benches can be stormed or the Opposition routed.

On the 31st December, 1900, Mr. Edmund Barton was able to announce that he had succeeded in his mission, and on the first day of the new century the Ministry and the Commonwealth came into existence together. The Cabinet consisted of nine members—three from New South Wales, two from Victoria, and one each from the other States.

The New South Wales members, in addition to the Prime Minister, were Mr. William Lyne and Mr. R. E. O'Connor. The former was a veteran politician of the Mother State, had held office in more than one Administration, and was Premier of the Colony from September, 1889, until March, 1901. He was created K.C.M.G. in 1903. To him, in his 66th year, was allotted the position of Minister of Home Affairs in the first Commonwealth Cabinet.

The claims of Mr. R. E. O'Connor to Cabinet rank did not arise from eminent political services. He had been for some thirteen years a member of the Legislative Council of New South Wales, and had held office as Minister of Justice in the Cabinet of Sir George Dibbs. He had taken an active part in the drafting and revision of the Commonwealth Constitution, was one of the six chosen to represent New South Wales in the Senate, and he was recognised as a sound and able lawyer. But he was also the *Fidus Achates* of the Premier, to whom he was attached by long political association, and he accepted the position of Vice-President of the Executive Council, without emolument.

To Victoria two seats in the Cabinet were allotted, and the appointments of Sir George Turner as Treasurer, and Mr. Alfred Deakin as Attorney-General, were noted with general approval. Sir George Turner, by profession a solicitor, now in his 50th year, had made his mark in Victorian politics as a cautious administrator and a careful guardian of the public purse. It was largely due to his judicious control of the Treasury, to his impassive disregard of clamor for unprovided expenditure, that he succeeded in extricating the finances of the country from the deplorable chaos in which the calamities of 1893 had left them. It was universally recognised that the Exchequer was safe under his control. He visited England officially on the occasion of Queen Victoria's Diamond Jubilee, 1897, when he was made a K.C.M.G., a Privy Councillor, and received some honorary degrees from English Universities. As the latest Premier of Victoria, his claims to inclusion in the Commonwealth Cabinet were undoubted, and he was returned to the Federal Parliament for the district which included the one he had represented in the Victorian Assembly.

Mr. Alfred Deakin, whose democratic principles have precluded him from the acceptance of any more ornamental title, has been so prominent a figure in Victorian politics, and so continuously in the foreground, that it is scarcely necessary to dwell at length on his individuality. Born in 1856, he was a successful journalist and leader-writer before he was well out of his teens. Elected to the Victorian Legislative Assembly when but in his 23rd year, he held a seat in it for over twenty years, only retiring to take his place in the Federal House of Representatives as member for Ballarat. During the greater portion of that twenty years, though never carrying the responsibility of Premier, he held office in various Cabinets as Solicitor-General, Chief Secretary, Minister of Water Supply, &c. In the latter capacity he did good service, and at different times visited America, India, Egypt, and Italy, to study their irrigation systems, on which he furnished valuable reports. He was a member of Mr. Service's abortive Federal Council, and, later, took an active part, both in London, and in Australia, in helping to complete the Commonwealth Constitution.

His great rhetorical gifts, manly presence, unflinching courtesy, and a certain suavity of manner, commanded for him troops of admirers, and the constituencies that he wooed felt themselves honored by the asking. Few men could have passed through such an ordeal of adulation without becoming offensively dictatorial and aggressive. But Mr. Deakin has never shown any tendency to assume the role of omniscience. Indeed, he knows too well how very few of the many brilliant theories, of the value of which his oratory convinced the House, found their fruition in realised benefit. In the first year of this century there was, perhaps, no man in the little group of Federal politicians from whom more was expected than Alfred Deakin. The manufacturers looked to him as the great apostle of Protection, to go on building up the wall that was to baffle foreign competitors. The Labor Party hailed him as the author of the first Factories Act, and felt sure that, with Deakin in power, a satisfactory wage would be the law of the land. And in the Mother Country his reputation was linked with that of Edmund Barton as representing all that was worth considering of Australian statesmanship.

The claims of South Australia were met by the selection of Mr. Charles Cameron Kingston as Minister of Trade and Customs. He had been Premier of that Colony for six years continuously, was a strong Protectionist, and held views of a generally advanced radical type. As a barrister, who had earned his Q.C., he was responsible for much of the local legislation bearing on factories and industrial conciliation. He had also taken his part with Sir Samuel Griffith in framing the Constitution, and had visited England to help in piloting it through the Imperial Parliament. Admittedly a strong man, of vigorous personality and rough methods, he carried the disadvantage of having so long been supreme in his own Parliament as to find it almost impossible to defer to colleagues when differences arose. Hence, he soon proved one of the thorniest spots in the Premier's uneasy cushion.

For Western Australia it would have been idle to suggest the possibility of anyone but Sir John Forrest being called to the Cabinet. Born in that Colony in 1847, he had won great

reputation as an explorer before he reached his 23rd year, and for later work he was awarded the gold medal of the Royal Geographical Society of England. He held several important administrative positions under the old form of Government, and when Western Australia was granted a Constitution in 1890, Sir John Forrest was elected the first Premier under responsible Government, and continued to hold that office, with unabated popularity, until invited in January, 1901, to join the Barton Cabinet as Minister of Defence.

Queensland and Tasmania were represented in the formally-declared Ministry by their respective Premiers, Sir James R. Dickson and Mr. Neil Lewis, but neither of these gentlemen took any part in the control of the Commonwealth. The former died before the elections for the Federal Parliament came off; the latter withdrew without contesting a seat. Their places were filled by the selection of Senator J. G. Drake, of Queensland, as Postmaster-General, and Sir Philip O. Fysh, of Tasmania, without portfolio. With this following Mr. Barton attended the opening of the first Federal Parliament on the 9th May, 1901.

Before following him into the handsome Parliament House, which had been generously vacated by the Victorian Legislature for the use of the Federal Government, pending the selection of a site for its permanent home, a brief glance may be taken at the unwonted stir which the brilliant ceremonies of the inauguration created in the ordinarily placid life of Melbourne.

The late Queen Victoria, who had ever shown a lively interest in the proposed Commonwealth, had desired that its first Parliament should be opened by a member of the Royal Family commissioned to act in her name. She had even designated the then Duke of York, now King George the Fifth, to that duty, shortly before her death. King Edward, with a proper filial regard for his mother's wishes, gave effect to the proposal, and duly authorised the departure of his son to the antipodes on this history-making mission. Old colonists, who remembered the sensation created by the visit of the Duke of

Edinburgh in 1868, gave themselves up to a display of loyal enthusiasm, and public corporations vied with private citizens in the desire to make the coming reception something that would impress the rising generation with sentiments akin to their own. A very large amount of money was cheerfully spent by the Government, the municipalities, and private citizens to grace the occasion. Mostly, of course, it was for temporary purposes; but many quite artistic triumphs were won in decorative arches, and miles of Venetian masts, fluttering with gay flags. One permanent benefit remained to Melbourne in the greatly improved, and now picturesque, approach to the city from the south. But the insatiable desire of the people to see in comfort the entry of the Royal visitors led to the erection of such a wilderness of stands and balconies in some of the principal streets as to greatly mar the effect by reducing their fine normal proportions. The decorations and illuminations lasted for a week, and during that period it may safely be said that Melbourne had never before sheltered so many people. It was estimated that more than 250,000 spectators viewed the procession on the 7th May, 1901, from the official landing at St. Kilda pier, and a parade through the city, to its eventual arrival at Government House.

Needless to say that, in the hands of Lord Hopetoun as the host of the Duke and Duchess of York, the social aspect of the visit received abundant attention. The resources of Government House were strained to the utmost to meet the exacting demands of society. But it had long been determined that the opening of Parliament under such unique conditions could not, as hitherto, take place in either Chamber of the Legislature. It would have necessitated the exclusion of all but a very few official spectators, and the people desired that so important an event should be witnessed by as many as could be possibly accommodated. In anticipation of this necessity, an army of workmen had been employed for some weeks in decorating the fine interior of the Exhibition Building, in Carlton Gardens, and there the ceremony took place, with a certain dignity and impressiveness likely to be long remembered by the 12,000 people who were fortunate enough to be present.

Precisely at noon on the 9th of May the Duke and Duchess of York, the Governor-General and the Countess of Hopetoun, with their respective staffs, and a brilliant official and military gathering, took their places on the dais erected under the central dome, and faced a sea of eager faces. Spaces were railed off in front of the dais for the members of the Federal Senate; behind them the House of Representatives was installed; and yet other divisions were marked off for Members of State Parliaments, prominent officials, and distinguished interstate visitors. Round all, to the farthest verge of floor and gallery, surged the mass of the great unnamed.

A touch of solemnity was given to the proceedings by opening them with the singing of the "Old Hundredth" psalm, and the reading by Lord Hopetoun of the prayers from the Anglican service book for the Royal Family and the Parliament, finishing with the Lord's Prayer. Then arose the Clerk of Parliaments, and proceeded to read the credentials of the Duke of York as expressed in the commission issued to him by His Majesty King Edward on 23rd February, 1901. Thus accredited, the Duke read his address, conveying, in warmly sympathetic words, the great interest which the King had manifested in the movement now so happily consummated, and formally declaring the Parliament open.

The greatness of the unique occasion, and the unwonted presence of Royalty, had up to this point exercised a decorous restraint of silence upon the vast gathering; but when the Duke of York stepped forward and read a cabled message from his father—"My thoughts are with you on the day of the important ceremony; most fervently do I wish Australia prosperity and great happiness"—the tension gave way, and a storm of vigorous cheering surged through the thousands of spectators again and again.

The Governor-General then administered the oath of allegiance to the Members of both Houses, and informed them that when they had chosen "some proper person" to be President of the Senate, and another to be Speaker of the House of Representatives, and had duly presented them for his approval,

he would declare to them the causes for which Parliament was called together. Then with an orchestral "Rule Britannia," and a cheering multitude, the pageant closed, the legislators repairing to Parliament House, intent on business.

CHAPTER III.

THE FIRST SESSION.

The proceedings at the first meeting of the Senate were commendably brief and business-like. On the proposal for electing a President, Senator Dawson, of Queensland, made an appeal that it should be conducted by open voting, but the ballot was decided on by 23 votes to 13. When the votes were counted, Sir Richard Chaffey Baker, of South Australia, had 21; Sir Frederick T. Sargood, Victoria, had 12; Sir William A. Zeal, Victoria, had 3. Whereupon Sir R. C. Baker was duly conducted to the Chair, and listened modestly to the high encomiums which were passed upon his character and career from several speakers.

In the House of Representatives there was no ballot, Mr. Frederick William Holder, the late Premier of South Australia, being the only nominee. But after he had been formally proposed and seconded, Mr. Bruce Smith (Parkes) felt called upon to enter an emphatic protest against the recent issue of a circular letter to members, urging the claims of the candidate and soliciting support. He considered it derogatory to the dignity of the position, and inconsistent with that "higher and rarer political atmosphere" which the new order of things was expected to inaugurate. This apparent breach of Parliamentary etiquette—from the English point of view—appeared rather venial to the House, for the Speaker, in returning thanks, and the representatives of the Ministry, the Opposition, and the Labor Party, who showered compliments and congratulations on him, offered no excusatory remarks. It was noticeable that the two highly-salaried posts in the new Parliament fell to the lot of South Australians, both men being natives of that State, and prominent in its politics. Sir

Richard Baker was President of the local Legislative Council, and Mr. Holder, who was afterwards knighted, was Premier and Treasurer, at the date of election to the Federal Parliament. The experiences of the latter were not entirely happy. Within a few hours of his election, his authority was defied by a Queensland Member, Mr. M'Donald, and he presided over many tedious, and occasionally tumultuous debates, until the day of his tragically sudden death on the floor of the House in July, 1909.

The high offices of the Parliament having been duly filled, and the occupants presented to and approved by the Governor-General, the business of the session was opened on the morning of the 10th May by Lord Hopetoun delivering the speech which his advisers had prepared for him. It promised abundant work. Omitting the highly ornamental and congratulatory passages, the proposals may be summarised thus:—

1. Measures for setting in motion the machinery of the Constitution, and for adapting to these new conditions the great departments recently transferred of Defence, Customs and Excise, and Posts and Telegraphs.
2. The constitution of a High Court of Australia, with an extensive appellate and Federal jurisdiction.
3. A bill to create a Commission for the execution and maintenance of the provisions of the Constitution relating to Trade and Commerce.
4. A bill to regulate the Public Service of the Federation.
5. The selection of the Federal Territory within which the Capital of the Commonwealth is to be built.
6. Bills for the firm restriction of Asiatics, and for the gradual abolition of South Sea Islands labor.
7. Measures for conciliation and arbitration in cases of industrial disputes extending beyond the limits of any one State; for the placing of patents and inventions under one uniform administration; and for the grant of an uniform franchise in all Federal elections by the adoption of adult suffrage.
8. Provision for Old-age Pensions to be dealt with "as soon as practicable."
9. Bills relating to Banking, Navigation, Shipping, and Quarantine, as soon as the necessary data have been collected.

10. Consideration of the best means of taking over, converting, renewing, or consolidating the public debts of the States.
11. The framing of a tariff, as to which His Excellency said:—
“Revenue must, of course, be the first consideration; but existing tariffs have in all the States given rise to industries, many of which are so substantial that my advisers consider that any policy tending to destroy them is inadmissible. A tariff which gives fair consideration to the factors must necessarily operate protectively, as well as for the production of revenue.”
12. Consideration of the important question of connecting by railway the eastern States with Western Australia, and of completing the line between Adelaide and the Northern Territory, together with the proposed transfer of the latter to the Commonwealth.
13. The judicious strengthening of the Defence of the Commonwealth.
14. The assimilation of the Postal and Telegraphic rates; and, when the finances admit, the establishment of an uniform, and if possible universal, Penny Postage throughout the Commonwealth.

There was a touch of irony in His Excellency's remark, “The legislation which I have outlined may not, of course, be entirely carried into effect in a single session”; but he would probably have repudiated a suggestion that ten years would elapse before several of the most important issues emerged from the arena of academic discussion into that of practical politics.

At the opening of the sittings the disturbing influence of the “Three-Party” ghost was not manifest. Taking the Members as they sat on that occasion, the Ministry had in the House of Representatives 42, as against 32 on the Speaker's left. In the Senate they were weaker, commanding only 14, against 21 on the Opposition benches; and it was noticeable that the whole of the Senators from Western Australia took the hostile position.

These divisions could hardly be yet accepted as indicating the actual strength of the Ministry. Many of the seats on the cross benches were certainly tentative, and many changes were yet to take place. The debate on the “Address in

Reply" to the Governor's Speech was the real test of their strength. It lasted for nearly a month, and was adopted on the 5th of June in a House of 56 Representatives, with only seven dissentients. It was noticeable that about a dozen Members who had spoken in opposition were absent from the division; but they had probably concluded that a majority against them being certain, the extent was a matter of minor importance.

This initial debate was, no doubt, regarded by Members as a suitable occasion for putting before a larger world than was covered by their respective constituencies their views on legislation in general. It was freely availed of. In the Senate 32 Members out of the 36 were impelled to deliver their criticisms, and in the House of Representatives 48 Members out of the 75 applied themselves with such oratorical vigor to the attack or defence of the indicated legislation as to fill 785 columns in the enduring pages of "Hansard." Such a record was ominous of tedious delay when matters of more vital importance should come up for discussion, and the first session of the Commonwealth Parliament, which closed on 10th October, 1902, will be memorable for its much speaking. The official records are comprised in twelve large volumes, which run to 16,744 double-columned pages!

What was the work actually accomplished? In all 38 Acts were placed upon the Statute Book of the Commonwealth; and 16 Bills, on some of which a vast amount of discussion had taken place, were either withdrawn, or lapsed upon the prorogation. The most important of the latter were: Mr. Kingston's Bonus for Manufactures, and his Conciliation and Arbitration Bill; Sir William Lyne's Interstate Commission Bill; and Sir John Forrest's Defence Bill. Each of these, though temporarily shelved, was destined to hold an important part in future debates.

Of the 38 Acts formally assented to, no less than 34, while of prime importance to the smooth working of the Constitution, were really enabling Acts to put the machinery of the new Government in motion, and did not introduce any material

alteration in the laws under which the community was working ; unless the Franchise Act, extending the suffrage to all adults, irrespective of sex, may be said to have done so. Indeed, fifteen of them were mere formal authorisations to the Treasurer to apply money out of the consolidated revenue to public purposes. Important measures like the Electoral Act, the Post and Telegraph Act, and the Public Service Act, undoubtedly required, and received, much consideration. But even these were mainly based upon existing State laws, and only required a proper adaptation to new surroundings. Such was rather work for an experienced official staff than for Parliamentary discussion, when once the main conditions had been outlined by the responsible Minister ; yet so closely were proceedings watched, that scores of pages are filled with discussions on the duties and salaries of unimportant posts in the Civil Service.

The really important Acts of this long session—those which directly affected the community—were the Immigration Restriction Act, and the Pacific Islands Laborers Act, both introduced by Mr. Edmund Barton on the 5th June, 1901 ; and the Customs Tariff Act, introduced by Mr. Kingston on the 18th April, 1902. The last-named was the *magnum opus* of the session. Around it, and its satellites—the Customs Act, the Distillation Act, and the Excise Acts—raged the most vehement discussion. The tariff resolutions on which the Act was based were submitted to the House on the 8th October, 1901, as a complement of Sir George Turner's Budget Speech. The conflict which then commenced between the ultra-Protectionist supporters of the Government and the revenue tariffists, led by Mr. G. H. Reid, of New South Wales, was prolonged for six months. Nearly every item in the voluminous schedules was a peg on which to hang fiery denunciations or indiscriminate praise. The whole wide area of fiscal policy was traversed over and over again, and questions that might be assumed to have been settled by previous votes were reopened and rediscussed with bland indifference. On the 15th of October, a week after the publication of the schedules, Mr. G. H. Reid launched an important vote of censure :—

That this House cannot accept the financial and tariff proposals of the Government—

- (a) Because they would place the finances of the Commonwealth and the States upon an unsound and extravagant basis.
- (b) Because they fail to adjust the burdens of taxation and the advantages of the free list in an equitable manner, revealing a marked tendency, which this House regrets to observe, to press upon necessities of life, and appliances used in our farming, mining, and pastoral industries, more heavily than they do upon many articles of luxury.
- (c) And because they would, in their operation, destroy the stability of the revenue by making imposts for national purposes a source of undue profit to a few individuals and a few favored industries, at the expense of the whole community.

He supported his motion in a powerful speech; and the debate upon it, which superseded all other business, was carried on vigorously for three weeks. On the 31st October, when the division was taken, the motion was defeated in a full House by a majority of fourteen. The majority was increased at the last moment by the adhesion of several Labor Members, who, while avowedly Freetraders, felt impelled to support a Government that had already helped them to carry some measures for which they had clamored, and might reasonably be looked to for support in further contemplated enactments. So once more the Committee of Ways and Means took up the task of thrashing out the items with wearisome iteration of argument, until, with many compromises, the end was reached on the 18th April, 1902; and Sir George Turner and Mr. Kingston were appointed a Committee to bring in a Tariff Bill founded on the resolutions. It was introduced, and the second reading moved by the Minister of Customs, on the same day. The controversy took a new lease of life; and, in addition to the scathing criticism it encountered in the House of its birth, the Bill suffered an amount of bandying between the two Chambers that necessitated still further concessions. Eventually it emerged from the six months' struggle as the "Customs Tariff

Act 1902," the Royal assent to which was reported on 23rd September.

The Minister of Customs had declared at the outset that the Tariff was neither Protectionist nor Free-trade in character, and it certainly did not satisfy either of the parties representing those doctrines. As it eventually emerged, it was less Protectionist than that which the State of Victoria had hitherto borne. Several Members, including Mr. Deakin, ventured the opinion that its operations would be disastrous to some struggling industries in that State, for many of the proposed duties were lowered by the revenue tariffists. The Labor Party, though not united on the fiscal question, generally supported the Government; but they combined, in the interest of their class, to throw out the duties on tea and kerosene, which left a gap of about £500,000 in the Treasurer's anticipated revenue. Some votes were won over by the plentiful promises of the Minister of an early revision, if fresh duties were found necessary, and by the assurance that a generous system of bonuses was under consideration for various industries that were as yet *in nubibus*.

It was a condition of the Commonwealth Constitution that within two years of its proclamation the imposition of uniform Customs duties should be effected. It took 21 months to arrive at the basis of this uniformity, and concurrently with its attainment Free-trade between the several States became automatically established. This great and enduring stimulant to the commercial prosperity of Australia was not the outcome of legislative wisdom. Parliament had merely to fashion the legal machinery to give effect to the mandate of the framers of the Constitution, and to make practicable that which, next to a sound system of defence, was one of the most potent factors in carrying Federation.

As the first step towards the policy of "A White Australia," the two Bills brought in by Mr. Barton on 5th June, 1901, call for some detail. In moving the second reading of the Immigration Restriction Act (No. 17 of 1901), Mr. Barton was very emphatic about the importance of the measure. He was

pleased to turn from the "mere machinery Bills" which had engaged their attention to place before the House a measure of definite and high policy. He called it one of the most important matters with regard to the future of Australia that could engage their attention. He was fully aware of the difficult and even dangerous nature of the proposed legislation in relation to Imperial diplomacy. He felt it necessary to placate the important Labor Party, upon whom he was largely dependent for support; and while he realised that their objective was mainly the restriction of industrial competition, he was too much of a statesman to lend his aid to their theories of absolute prohibition. Hence, after alarming the House by copious citations from Professor Pearson's "National Life and Character" as to the terrible results of racial contamination in the future—results which he declared were not justified by the facts of to-day—he implied that he had drawn the Bill upon the basis of an educational test, mainly to avoid entanglement with the diplomatic relations of Great Britain. Mr. Chamberlain had advised him that disqualifications on the ground of race and color were "not only offensive to a friendly Power, but contrary to the general conceptions of equality which have ever been the guiding principle of British rule throughout the Empire." But the singular mistake was made, and vigorously defended by Mr. Barton, of making the test the ability of the intending immigrant to write 50 words in the English language from the dictation of a Custom House official. It was promptly pointed out that this would exclude thousands of desirable colonists hailing from the Continent of Europe. A preposterous defence was attempted on the ground that it was most desirable for a man to be able to speak the language current amongst those whose labor he desired to share. But this and other inane suggestions proving untenable, led to the somewhat vague declaration that the application of the test was to be in the discretion of the Minister, and would not be enforced in the case of European immigrants, unless there was some indication of their being otherwise undesirable. Finally, the words "an European" were substituted for "the English," and

by the end of the year the Bill became an Act, and received the Royal assent on 14th January, 1902. The immense power thus conferred on the Minister nominally, but really exercised by the Custom House officer, produced some curious results. In November, 1903, the second mate of a German sailing ship, who had been punished for smuggling in New South Wales, was called upon to undergo the language test. He had received a University education in Germany, and spoke English, German, and French. But in view of his conviction, the Custom House officer considered him an undesirable immigrant, and gave him the test in Greek. Failing in this, he was charged with being a prohibited immigrant found within the Commonwealth, and sentenced to six months' imprisonment.

As in the case of all compromises between principle and expediency, there was a marked want of precision in the answers of the Prime Minister to the questions with which he was bombarded during this long debate. Many hours were wasted by heated speeches based on misconception. Some of the Members made it appear as if they believed that the high social purity of the Australian people gave them a claim to a splendid isolation. Others, in rather intemperate language, demurred to the intervention of the British Government, and scoffed at the idea of being hampered in their desires by any question of international comity. There was a vast amount of sophistry in the discussion, which justified the designation applied to it by more than one Member in the early stages, as a "hypocritical measure."

The attitude of Mr. Watson, the Leader of the Labor Party, is plainly indicated by the amendment he moved to substitute for the education test a direct prohibition of "any person who is an aboriginal native of Asia, Africa, or of the islands thereof." At the outset he found it rather difficult to play up to the theory that he was actuated by altruistic motives in defending the splendid race purity of the average Australian colonist. He could not forget that more than one of his colleagues had declared in favor of the Bill on the ground that,

unless some such step was taken, they would find in the near future all manner of industrial enterprises overrun by these undesirables. He said:

The objection I have to the mixing of these colored people with the white people of Australia—although I admit it is to a large extent tinged with considerations of an industrial nature—lies in the main in the possibility and probability of racial contamination. I think we should gauge this matter, not alone by the abstract possibilities of the case, but by those considerations which appeal to our *ordinary human weaknesses and prejudices*.

As he warmed to his subject, the race purity veneer got rather rubbed off, and the solid substratum of wage competition was more in evidence. He declared that under the proposed test it would

be possible for a man to pass the examination, and still be one of the most objectionable immigrants imaginable. . . . With the Oriental, as a rule, the more he is educated, the worse man he is likely to be from *our point of view*. The more educated, the more cunning he becomes, and the more able, with his peculiar ideas of social and business morality, to cope with the people here.

It was probably the Chinese bogey that haunted Mr. Watson's mind, but certainly his deductions would not be endorsed by merchants and bankers who have had business dealings with those people. Nor would they receive any support from the official statistics of crime in Australia.

The contributions of Mr. Deakin to the debate were, despite their fine rhetorical presentation, not very conclusive. As Attorney-General, he had to defend the form of the Bill, and to vindicate its framers against repeated charges of undue subservience to the British Government. On this point he was unanswerable. But in the energy of debate he was betrayed into statements—particularly in relation to Japan—that were neither accurate nor consistent. On the 12th September, replying to an interjection, he said:

I say that the Japanese require to be absolutely excluded . . . because of their high abilities. . . . The Japanese are the most dangerous, because they most nearly approach us, and would therefore be our most formidable competitors. . . . The difference that separates them from us is quite as much in their standard of

living as anything else. . . . The Japanese represent the highest class of those who seek to come here, and they are people who are capable of being dealt with on the same footing as any other civilised power.

But there was no indication of any proposal to treat them on such a footing. On the contrary, a subsequent suggestion to add the Japanese language to the scale of tests was scornfully rejected. Indeed, Mr. Deakin distinctly said that the test was meant to exclude, *inter alia* "the people of Japan, against whom the measure is primarily aimed." He won the support of the Labor Members by declaring that the inexhaustible energy of the Japanese, the power of applying themselves to new tasks, their endurance, and low standard of living, made them such dangerous competitors. Then, with fine inconsequence, he proceeded to show that the possible invasion of the Australian labor market by Japan was a baseless figment of imagination. He said:

The Government of Japan, which has high hopes and far-reaching aspirations, does not desire to lose any of its population at present. . . . Japan wants all the strength she can command—she wants all her men at home. She has great fields opening up for their employment, where they will be of undoubtedly greater advantage to her than here; and we have every reason to suppose that the Japanese Government would meet the Commonwealth to the extent of assisting us to make the prohibition absolute—that is, if we approach them with that reasonable consideration due to a civilised Power.

It surely must have been known to Mr. Deakin that during the debate on the Bill the Japanese Consul in Sydney had more than once urged upon the Prime Minister the justice of according to Japan similar treatment to that applied to Russia, Turkey, and Greece. Indeed, the Consul, after protesting against his people being classed with negroes and kanakas, went so far as to say:

My Government recognises distinctly the right of the Government of Australia to limit in any way it thinks fit the number of those persons who may be allowed to settle in Australia, and also to draw distinction between persons who may or may not be admitted. Corresponding rights belong to the Empire of Japan. As Japan is under no necessity to find outlet for her population, my Government

would readily consent to any arrangement by which all that Australia seeks, so far as the Japanese are concerned, would be at once conceded.

It was impossible to accept such a friendly overture. Knowing the determined intentions of the Labor Party, the Barton Cabinet dared not bring forward any such proposal. But, in view of the tacit ignoring of the consular representations, it is hard to understand what construction Mr. Deakin put on that "reasonable consideration due to a civilised Power"—a Power which he had previously declared should be placed on the same footing as those whom the test recognised.

In his desire to qualify the praise he had bestowed on the Japanese, Mr. Deakin was unfortunate in dwelling on their low standard of living. It is undeniable that the few Japanese laborers in Australia compare most favorably in point of diet, cleanliness, and hygiene generally with the same class of Australian laborers. He was correct enough in his assumption that there was little ground for anticipating an inrush that would affect the labor market. The number at present in Australia is a negligible quantity, and those who know the nation best are satisfied that there is no reasonable ground for anticipating a material increase. The much-talked-of Japanese menace is not likely to be realised in local industrial competition. It may, unhappily, take the form of reprisals if Australia continues to give gratuitous offence, and to show a contemptuous discourtesy to a nation Great Britain counts as a most friendly ally.

Undoubtedly the feature of the debate was the fine independent stand taken by Mr. Bruce Smith, K.C., a prominent member of the New South Wales Bar, who had held Ministerial office in the Parliament of that State as a colleague of Sir Henry Parkes. Many of the speakers, who from fear of their labor constituents had given a half-hearted support to the Bill, had adopted an apologetic tone. Nearly all of them clung tenaciously to the most high-toned declarations about social purity and race preservation, which were used to irradiate the subject whenever it got entangled with the industrial

question. The hollowness and pretence of the great majority of these deliverances evoked a ruthless exposure from Mr. Bruce Smith. It was manifest, from the angry interjections which his speech called forth, that his severe indictment struck home in many quarters. His appeal for some consideration for the susceptibilities of a nation like Japan was couched in dignified and telling phraseology. He exposed the manufactured clamor that had raged around the idea of an alien invasion by showing that under the restrictive laws of the various States there had been, for more than twenty years, a continuous decline in the numbers of the class it was desired to exclude. While denouncing the hypocritical pretensions that covered the real issue of wage competition, he proved by statistics that the alarm of the worker was practically baseless, and the competition insignificant. But he stood almost alone in his demand for justice—a rare example of fearless political independence.

When the Bill reached the Senate, it encountered some unsuccessful attempts to restore the color line of prohibition, which had been defeated in the House of Representatives by 36 votes to 31, while in the Senate it was lost by the narrow majority of one vote. Though many amendments were put to the vote, no material alteration was eventually secured, and, as already stated, the Bill became law in January, 1902.

The wholesale denunciations in Parliament of the "inferior races" stimulated the working man to a reciprocal sentiment. Amongst the many ridiculous instances of the feeling excited, one may suffice. On the 19th September, Senator Stewart, of Queensland, gravely asked the Postmaster-General if his attention had been called to a statement in the local Press "that a Japanese, or other colored Asiatic, had recently been employed in cleaning the windows of the Mount Morgan Post-office; and, if so, who was responsible for such employment?" To which the Minister deprecatingly replied that, not a Japanese, but a Javanese, had been employed to do some cleaning, but that he had been discharged, and the officer-in-charge was responsible!

The Pacific Islands Laborers Bill, though it provided a dis-

cussion extending over six months, hardly aroused so heated a controversy as the Immigration Restriction Bill. Its incidence was more centralised, for in its economic aspect it mainly touched only the State of Queensland. In its introduction, Mr. Barton showed that he had made a careful study of the problem. He was emphatic in declaring that from the beginning the recruiting of kanakas for this work had been tainted with the gravest scandals; that, although a more active supervision by the State Government had, in recent years, greatly ameliorated the conditions, the traffic was regarded with disfavor by the bulk of the people. He cited extensively the opinions of leading Queensland politicians to show that for many years past the continuance of what had always been declared to be a temporary measure, had been vigorously denounced in that Parliament, and its cessation demanded. He grew eloquent over the iniquities of a veiled form of slavery, and denounced the attempt to permanently graft such a form of colored labor on the institutions of the country. The gloomy lessons to be learned from the negro problem in America were more relevant to the issues here than they had been when so frequently advanced in connection with the Immigration Restriction Bill; and he had the additional advantage in this discussion of realising that so long as no glaring injustice was done to the kanakas, in their forced deportation, he had public feeling behind him, and numerically a smaller opposition in Parliament.

Of course, he had to face the opposing forces of many vested interests. Petitions poured in from Chambers of Commerce, sugar-cane planters, and representatives of shipping and transportation businesses, declaring with one voice that the removal of the kanakas meant the extinction of the sugar industry in Queensland. Their arguments were supported by an official report by Dr. Maxwell, who had been formally appointed to inquire into the facts. His conclusions were very pessimistic, involving loss of employment to a large number of white people, who, with their families and dependents, would probably reach 20,000, more or less directly connected with the threatened industry.

The Queensland Members fought vigorously a losing battle, and in the end concentrated their efforts on obtaining an extension of the period within which the deportation should take place. In the Senate a humanitarian effort was made to allow islanders, who had been domiciled in the State for five years, to remain if they wished to; but that proposal was rejected, and the Bill passed its final stages on the 12th December, 1901.

It was not to be supposed that the subordination of economic principles to national aspirations could be effected without some concession to the former aspect. The gloomy anticipations of a ruined industry were not realised, but at first there was a serious falling-off in the number of acres of cane planted. To meet this, and to silence the muttered discontent of the northern State, the Sugar Bounties Act of 1903 provided for a rebate of excise on all sugar grown by white labor, on a sliding scale according to density of cane, which worked out approximately at 40s. per ton of sugar. This was the compensation paid by the whole community for the losses assumed to be sustained by the sugar planters; and in the following years, up to 30th June, 1909, it had reached the imposing sum of £1,800,000. And, in addition to this sum, the Commonwealth Government had to pay £13,300 towards the cost of the deportation of the islanders up to that date.

It need excite no surprise, therefore, that an industry so heavily subsidised did not show the decline which had been predicted for it. It must not be forgotten that the money to pay the bounty, above referred to, came originally from the cane-growers in the shape of an excise duty levied on their product; and they were loud in their protests that there was no more justification for imposing an excise duty on their product of the soil than there would have been for placing wheat or potatoes under a similar burden. It remains to be seen how the industry will fare when the support it now enjoys from the general taxpayer ceases in 1912.

On 12th of November, 1901, Mr. Barton submitted a resolution in Committee, relative to the assumption of control by the Commonwealth over New Guinea. It evoked a very ani-

mated discussion, and disclosed a most unsatisfactory state of things under which the then Administrator of Papua, Mr. Le Hunt, was endeavouring to carry out his onerous duties. After many verbal amendments, the resolution was carried on 19th November, and approved by the Senate on the following day. It took this form :

1. That this House is prepared to join in measures for the acceptance of British New Guinea as a territory of the Commonwealth, if His Majesty is pleased to place it under Federal control.

2. That towards the expense of the administration of the Possession this House is willing, when called upon, to vote a sum not exceeding £20,000 per annum as from 1st July, 1901, subject to revision at the end of five years.

The session came to an end on 10th October, 1902. The Acting Governor-General, Lord Tennyson, in his prorogation speech, referred in commendatory terms to the long and arduous labors of the Members, and especially commended the Tariff, which had brought freedom of trade throughout Australia; the effective exclusion of those immigrants, whose presence would have made difficult the accomplishment of our national ideals; the creation of a Federal electoral system; and the prospective control of New Guinea.

In the absence of Mr. Barton, it fell to the lot of Mr. Deakin to offer the thanks of the House to the Speaker for the able manner in which he had discharged the duties of his exalted position, and to congratulate Members generally upon having risen to the great demands made upon them in a manner that would reflect lasting credit upon them. Mr. Dugald Thomson, acting for the Leader of the Opposition, and Mr. Watson, the Leader of the Labor Party, followed in the same strain, and the Speaker's valedictory remarks implied that the distinguishing mark of that House was a spirit of self-sacrifice and brotherly love.

CHAPTER IV.

THE GOVERNOR-GENERAL'S RESIGNATION—THE COLONIAL CONFERENCE OF 1902.

THE one startling event of the first session of the Federal Parliament was the announcement by the daily Press early in May, 1902, that Lord Hopetoun had resigned the position of Governor-General, and asked for his recall. So little had the public been aware of the vague negotiations between Lord Hopetoun and Mr. Barton—protracted by indecision for more than a year—that the news was received with surprise, anger, and even incredulity. When it became known that the decision of His Excellency was irrevocable, the feeling grew apace that he had not been generously dealt with, and both in and out of Parliament his cause found many champions. With true British instinct they demanded to know who was to blame, and proceeded to denounce the Federal Parliament in general, and His Excellency's advisers in particular, for bringing such a slur upon the Commonwealth so early in its existence.

The Parliamentary debates on the subject, which were necessarily the chief source of information, were admittedly unsatisfactory so far as they related to the elucidation of facts. There was much recrimination, many charges against the Ministry of concealment, duplicity, and tergiversation. These, in the absence of Mr. Barton, who had left for England before the resignation was announced, were very difficult to meet, and though Mr. Deakin threw the glamor of his persuasive rhetoric around the reputation of his absent colleague, the House remained obstinately unconvinced. During the protracted discussion newly-discovered facts emerged, which opened fresh ground of debate, and some months elapsed before the public were able to grasp the meaning of what had actually happened.

What was hazy and indefinite in May, 1902, may, by subsequent revelations, be thrown into the form of a coherent statement.

In July, 1900, when Sir William Lyne was Premier of New South Wales, and Mr. Barton was in London in connection with the passage of the Constitution Act through the Imperial Parliament, the former induced the Governor of New South Wales to cable to the Secretary for the Colonies :

Lyne is anxious to have your permission to state that you desire Barton to inquire where the Governor-General should reside, and that in answer to your request Prime Ministers of federated Colonies consulted are agreed to New South Wales.

Mr. Chamberlain replied cautiously :

Governor-General will be sworn in, and the Commonwealth inaugurated at Sydney; and if other Colonies have agreed to his mainly residing there during recess, His Majesty's Government will not object, subject, of course, to the decision of the Federal Administration.

This was rather cold comfort, especially as the words "during recess" implied that when Parliament was sitting he would be elsewhere. Further, "if the other Colonies have agreed" seemed to imply a doubt which Sir William Lyne knew to be well founded. But he faced the local Parliament in November of that year as if he had won all he was contending for. In answers to questions, he said the Governor-General would reside permanently in Sydney. He declared that "he had not had an easy task in bringing that about." Later, when he brought in a Bill to provide the share of New South Wales in the proposed extra allowance to the Governor-General, he said :

This is a Bill to make provision for the expenses of the Governor-General. I have had a fairly heavy fight to get the Governor-General's residence permanently established here, but a request has been made by the Colonial Office that the Colonies shall pay £10,000 towards his expenses.

A more emphatic statement of the position was made by the Government representative in the Legislative Council, who, in supporting the Bill in that Chamber, said :

A good deal of correspondence has passed between the Colonial Office and this Government respecting the position of the Governor-

General as regards the Colonies, and it has been pointed out that, although the Commonwealth Act provides that the salary of the Governor-General shall be £10,000, if the Governments expect him to move from one place to another, a further sum will be necessary to meet the increased expenses to which the Governor-General would necessarily be put. This Bill is brought in practically in pursuance of an agreement come to between the Home Government and the Government of this country.

Though these negotiations and statements belong to a period anterior to Federation, they throw much light on the intentions of the Mother Colony. The "agreement," referred to in the last sentence, if it exists, has not been published; but its ready acceptance by the Parliament of New South Wales affords ample justification for the tenor of Mr. Chamberlain's despatches. On the 30th November, 1900, that Minister, writing to Lord Hopetoun, then on his way to Australia, says :

I shall be glad if you will take an early opportunity, after the constitution of your Ministry, of calling the attention of Ministers to the provisions for the Governor-General's establishment. Under the terms of the Constitution, as fixed by the Commonwealth Act, a salary of £10,000 is to be paid to the Governor-General, and it is provided that the salary of a Governor-General shall not be altered during his continuance in office. It is therefore impossible to entertain the question of a change in salary proper during your term; but it will be necessary for the Parliament to consider, at an early date, what provision shall be made for the Governor-General's establishment, and for the expenses of entertainment.

Mr. Chamberlain then proceeds to adduce the liberal allowances accorded by the Dominion of Canada to their Governor-General, and states his opinion that, in view of the greater cost of living in Australia, as compared with Canada, even a larger provision than that made at Ottawa will no doubt be necessary. He trusts that the Ministry will readily agree that it is impossible to provide the expenses of the Governor's personal staff out of the salary fixed by the Act. And he also thinks that, apart from this necessary provision for staff, it will still be impossible for the Governor-General of Australia to exercise the hospitality that will be expected from him unless some additional allowance is made to him for entertainment. He had been in communication with the Govern-

ment of New South Wales, and had received an assurance that such an allowance would be provided. Six weeks later, when he learned that the Victorian Parliament had refused to vote their contribution to the proposed allowance of £10,000 a year, Mr. Chamberlain again addressed Lord Hopetoun, on 11th January, 1901, and referred regretfully to the non-observance by the States of a resolution which he understood was passed at a conference of Premiers in the preceding year, that Governors should not be expected to supplement their salaries from their private means.

Naturally, Lord Hopetoun laid these despatches before his advisers, and on 21st February Mr. Barton, acknowledging their receipt, specifically described them as

on the subject of making suitable provision for the expenses of Your Excellency's establishment, and for the charges of entertainment. Mr. Barton begs to intimate that the Ministers of the Commonwealth have agreed to submit a measure to Parliament which, in his view, will meet the situation to which Mr. Secretary Chamberlain's despatch refers.

So far, the issue was plain, and certainly did not lend itself to misunderstanding. There can be little doubt that, had such a measure been at once submitted, while the glamor of the Federation was at high-water mark, it would have been favorably received. It would have been voted as readily as the many heavy charges connected with the inaugural ceremonies had been.

Whether the pressure of business caused Mr. Barton to defer the completion of his promise, or whether he feared the opposition of the Labor Party, was never made manifest. Apparently, he postponed a task that he thought might provoke a certain amount of undignified wrangling and unjustifiable personal references. In any case, it cannot be doubted that Lord Hopetoun rested on the assurance given, and particularly during the visit of the Duke of York carried out a scheme of quite regal expenditure in lavish hospitality and entertainment. Apparently, His Excellency was willing to trench largely upon his private income, and as the months passed he showed no appreciable reduction in his establishment. It could not but

attract attention that the Governor-General, who was actually drawing less than he had received as Governor of Victoria, was spending at least twice as much as had been necessary in that position. Rumors of undisclosed compacts began to find their way into the Press. At length, on the 21st July, Sir Langdon Bonython asked the Prime Minister, "Is there any truth in the report that an allowance has been made to a distinguished person in the Commonwealth?" Mr. Barton replied, "I have not heard of any; I do not know what the honorable Member means, and I cannot answer him unless he is more specific." Sir Langdon Bonython: "The Governor-General." And Mr. Barton said:—"No; no allowances have been made to the Governor-General up to the present time. As far as I understand, the Governor-General is likely to lose from £16,000 to £18,000 a year, owing to the amount by which his expenditure will have overtopped the allowance he gets. That, however, is a matter for future consideration, and no allowance has been made to the Governor-General that I am aware of. If there is any such allowance made, I will inform the House." This opportunity for a candid avowal was let slip. A month later, 29th August, Mr. Crouch called the attention of the Prime Minister to a statement made by the Earl of Onslow in the House of Lords that the Secretary of State for the Colonies had been informed that the question of making further provision for the Governor-General for the purpose of entertaining, and towards establishment allowances, would be brought before the Parliament of the Commonwealth, and he asked whether such information had been given by the Federal Government; and further, whether such extra provision would not contravene the terms of Section 3 of the Constitution Act. To these questions Mr. Barton gave an emphatic negative, but added that the Government intended to ask Parliament to consider "a measure for a provision within the Constitution" which would be fully explained, and on which he invited the fullest discussion.

Once more the proposed consideration slept, and, as far as the public were concerned, it appeared to enjoy uninterrupted repose for eight months. It could hardly have been so

somnolent as between the Governor-General and his advisers. It was evident that Mr. Barton fully appreciated the point raised by Mr. Chamberlain that Lord Hopetoun should not be dependent upon the votes of allowances by the separate States, especially after the rejection of contributions by the Victorian Parliament. So at length, on the 1st May, 1902, he submitted a measure for granting the Governor-General a fixed allowance of £8000 a year, in addition to his statutory salary of £10,000.

Mr. Barton pointed out that in the pre-federal Convention of 1897, the Finance Committee proposed £10,000 for salary and £5000 for expenses of the Governor-General's establishment. Although not embodied in the Constitution Act, he declared that the intentions of the Convention were so clear that the Imperial Government, in making the appointment, had no doubt regarded the allowance question as settled, and had advised their appointee on those conditions. He defended the increase to £8000 upon the ground that even at that figure the Governor-General would still be some thousands a year out of pocket. But his persuasive words fell on stony ground. The Bill was practically taken out of his hands by Mr. H. B. Higgins, who, by a series of amendments, fought through committee with great perseverance, altered its entire scope, and converted it into a Bill for granting the Governor a specific sum of £10,000, to recompense him for the exceptional expenditure involved in connection with the visit of the Duke of York. In this form it was carried through all its processes in one sitting, the standing orders having been suspended.

The debate, though comparatively brief, only occupying some thirty pages of "Hansard," was marked by considerable heat, and involved seven divisions; but the dissenting minority was generally small. A South Australian Member, Mr. Poynton, who described the amendments of Mr. Higgins as "a wretched subterfuge" to cover up the retreat of the Ministry, and the Bill as "a dirty job," when called to order by the Speaker defied the Chair, and created an unpleasant scene. Another Member, Mr. Page, from Queensland, had to be taken in hand by the Speaker for insulting references to

the Governor-General's attitude in the matter. It must have been a great relief to Mr. Barton at the end of this debate to inform the House that he was on the point of leaving for England to attend the Colonial Conference, and then to carry a motion for the adjournment of the House until the 27th May. By that date he would be beyond the sound of angry voices.

Two days later, 4th of May, Mr. Barton and Sir George Turner waited on Lord Hopetoun, and informed him that Parliament had plainly intimated that in future no allowance of any kind whatever would be granted. After considering the matter from all points, Lord Hopetoun cabled the Secretary of State in the following terms :—

The Prime Minister introduced a Bill into the House of Representatives, granting an annual allowance to the Governor-General of £8000 a year. The Bill was retrospective from 1st January, 1901, in order to relieve me of portion of the great expense of the Royal visit. The opposition in the House of Representatives was so general that the proposal was withdrawn without pressing for a division; but an amendment was substituted, granting me £10,000, to compensate me for part of the expenditure in connection with the exceptional year. This passed by a large majority. . . . On a salary of £10,000 per annum, I am expected to pay my staff, visit the various States, pay all travelling expenses, except on the railways, occupy two great Government Houses, pay lights, fuel, stationery, telegrams, and postages (other than official), dispense hospitality, and maintain the dignity of the office. I have already strained my private resources beyond all justification. The position is impossible. After grave consideration, I think you had better recall me after the Coronation.

On the 9th May, Mr. Chamberlain replied in terms of deep regret, and said that while he felt Lord Hopetoun's retirement would be a serious loss to Australia and to the Empire, he could not with any justice ask him to make the heavy pecuniary sacrifice necessarily involved in his retention of office, and promised to relieve him forthwith. The irrevocable step having been taken, it only remained to give it suitable publicity. The Prime Minister had sailed for England. The House of Representatives was in recess until the 27th May. The Senate was still sitting, and, at the close of business on the 14th idem, the Vice-President of the Executive Council made the startling

announcement to that House, and laid on the table copies of the cables which had passed between His Excellency and the Secretary of State for the Colonies.

Great was the turmoil, and loud the expressions of regret, when the position was made public. The Press generally supported the view that the Governor-General had been shabbily treated. When the House of Representatives reassembled on the 27th May, Sir William M'Millan, of Sydney, who had been absent when the Bill was passed on 1st idem, led a fierce attack upon the Government, alleging sinister plots and secret conspiracies to keep the House in ignorance of negotiations with which it ought to have been made fully acquainted. He was reasonably indignant that a measure of such importance in its unforeseen consequences should have been sprung upon Members without notice, and hurried through in one afternoon. He said this exceptional haste was evidence of something behind it which the public ought to know. Amongst other charges he brought against the Prime Minister was one to the effect that when in England in 1900 he had made an agreement with Mr. Chamberlain as to these disputed allowances. But Mr. Deakin, who was Mr. Barton's colleague in that mission to London, promptly contradicted the statement, and pointed out that at the period in question Mr. Barton was only a private Member of the New South Wales Parliament, and could not in any way have pledged the Federal Parliament, which was as yet non-existent.

Mr. Deakin, with his usual tact, made the best of a bad case. He could not justify the fifteen months' delay in acting on Mr. Barton's written promise; but he found some very good excuses for it in the tedious prolongation of discussion which had marked the work of the session. The debate was really a fair sample of this, for it was adjourned from time to time, and formed the main work of the Committee of Supply for three months. It ranged from Constitutional points to questions of domestic expenditure, from alleged surreptitious arrangements to vaguely-grasped problems of finance. But above all, it was made depressing by the endless iteration with which Member

after Member traversed the well-worn ground. The only passage that could be called interesting was a duel between Mr. H. B. Higgins and Mr. Bruce Smith, which took the discussion outside the question of what the Governor-General ought to receive.

Mr. Higgins, who was mainly responsible for carrying through the Bill which granted £10,000 to Lord Hopetoun for exceptional expenses, admitted that he had worked to that end without having all the facts placed before him. Having since perused Mr. Chamberlain's despatches, which showed such "amazing ignorance of the relations of the Colonial Office towards the Governments of States like ours," he firmly believed that, had they been then before the House, even his amended proposal would not have been carried, for, Mr. Chamberlain asking the Governor-General to place a certain measure before his Ministers, and to intimate to them a hope that a certain measure would be carried, was, in his view, dictation. He did not think the people of Australia would allow their Ministers to be influenced by the head of the Colonial Office. Warming with his subject, he found that Mr. Chamberlain showed a "wonderful want of tact, and an abundance of vulgarity" in some of his references to hospitality. Mr. Bruce Smith entered a warm protest against this speech, which he declared was making a most improper use of the debate, and said that the honorable and learned Member had gone out of his way to make an unwarranted attack of an offensive character upon one of the ablest Ministers of the British Crown, and one of Australia's best friends. He traversed the whole proceedings from the beginning, and showed that Mr. Chamberlain had acted strictly within his constitutional rights, and could not have done otherwise without a practical desertion of the Governor-General, in whose appointment he had taken so active a part. On the real question before the House, Mr. Bruce Smith spoke with no uncertain sound, and declared that a catastrophe, which in the opinion of the outside world was bringing discredit on Australia, might easily have been averted by a little more diplomacy and promptness in the action of the Prime Minister.

Finality was reached in the House of Representatives on the 26th August by the passage of a resolution which, after sundry amendments, made the way clear for the future in the following words :—"Resolved that an expenditure upon Government House of £5500 a year, as submitted in the statement ordered to be printed on the 7th inst., is approved during the term of office of the next Governor-General."

Three days later the resolution reached the Senate, and the discussion opened afresh; but the various amendments submitted were either withdrawn or negatived, and in the end it was adopted on the 3rd of September.

If the Vice-President of the Executive Council was correct in telling the Senate that the appointment of a Governor-General of Australia was deferred until the wishes of the people in regard to the maintenance of establishments were definitely known, then the three months' delay in fixing the amount appeared to indicate a strange indifference. What a vast amount of heartburning and recrimination would have been saved, and what thousands of speeches and leading articles might have been advantageously spared, had so simple a decision been arrived at when the question was first mooted, rather than after the humiliating close of the career of the first Governor-General.

Happily for his serenity, Mr. Barton had placed the Indian Ocean between himself and the turmoil that raged around his alleged short-comings. Probably he did not expect the definitive action of the Governor-General, though he must have been well aware how precarious was the position. The cabled news which overtook him at Colombo could not have been a pleasant greeting. He was on his way, on the invitation of the Colonial Secretary, to take part in a conference between the Imperial Government and the delegates from the oversea dominions on the commercial and political relations of the Empire, in which certainly the great question of Defence was necessarily involved. Hence he was accompanied by Sir John Forrest, the Defence Minister of the Commonwealth.

The brilliant pageant of the Coronation of King Edward VII.,

which was concurrent with the conference referred to, lies outside the field of these records, save in so far as it was the occasion of conferring some titular honors on distinguished Colonial statesmen. The first Premier of the Australian Commonwealth received the Grand Cross of the Order of St. Michael and St. George. It is more than probable that the outburst of Imperial sentiment which marked the Coronation festivities, enhanced as it was by the King's recent recovery from a dangerous illness, had some effect in moulding the proceedings of the Colonial Conference in a highly Imperialistic form. The official report of the results is unusually meagre for a Blue Book. It is in marked contrast to the account of the conference of 1907, where the speeches of every delegate are given with fullest detail.

From the brief summary published, and from subsequent Parliamentary references, it would appear that the Imperial Government, while expressing an earnest desire to strengthen the bonds of union through revised political relations, better commercial understandings, and a settlement of the important question of Defence, tended most strongly towards the consideration of the last question. As to the political revision, Mr. Chamberlain candidly confessed his preference for a "Council of the Empire, to which all questions of Imperial interest might be referred." But this apparently amiable overture does not appear to have been seriously discussed.

When Mr. Chamberlain came to deal with the commercial question he said, "Our first object is Freetrade within the Empire," alluding to the proposals for an English Zollverein, which had been submitted at the previous conference in 1897. But he somewhat obscured the issue by putting an interpretation on Freetrade which would not be incompatible with the "settled policy" of Australia. It elicited no appreciative response, and in the end resulted in a formal declaration that "in the present circumstances of the Colonies it is not practicable to adopt a general system of Freetrade as between the Mother Country and the British Dominions beyond the seas." He referred regretfully to the non-recognition by the Colonies

of the suggested Tariff preference to British-manufactured goods, from which he had hoped great results. So far, the granting of such preference had been a delusion, for even after deducting it the Tariff remained sufficiently high to exclude the British exporter from the market, and it was little satisfaction to him to be told that even higher disabilities were imposed on the same goods if they came from foreigners.

It was found impossible to secure uniformity on this question, either as to form or amount of preference. Each of the other Colonies offered some definite proposal except Australia. Sir Edmund Barton confined himself to concurring in a resolution :—"That it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom." This carefully-qualified expression of opinion was accompanied by another resolution urging upon His Majesty's Government the expediency of granting preferential treatment to the products and manufactures of the Colonies, either by exemption from or reduction of duties now or hereafter imposed. The seeds were thus sown for much future discussion; but no practical results on these subjects crowned Sir Edmund Barton's mission.

There remained the great question of Defence, and it was approached from both the naval and military aspect. In view of the importance of this matter, Mr. Chamberlain handed the delegates over to the Earl of Selborne, the first Lord of the Admiralty, who pressed the official views of his Department upon them with conciseness and vigor. He was inclined to be scornful of the idea that a cash payment, admittedly inadequate for services rendered, could possibly represent the loyal feeling towards the Empire so much talked about. In an official memorandum submitted to the conference, it was shown that the naval expenditure per head of the population amounted to 15s. 1d. in Great Britain, as compared with 10½d. in Australia. He desired to inspire in Australians a sense of personal interest, even personal possession, in the British Navy, which

he thought could not be done so long as the relations only existed of "the man who pays to the man who supplies." He would have one or two cruisers manned exclusively by Colonials, under the command of Imperial officers; he would approve of a certain number of nominations for cadetship in the Royal Navy; he proposed Colonial branches of the Royal Naval Reserve; and, as far as Australia and New Zealand were concerned, he promised a substantial improvement in the capacity of the squadron in those waters. But he was emphatic on the question of the one and undivided control of the fleet under the Naval Commander-in-Chief, and that the sphere of its operations should be extended to the China and East India Stations at any time the Admiralty might consider it desirable.

The conference again failed to secure unanimity. Canada, probably feeling safe from foreign invasion while her powerful neighbour upheld the Monroe doctrine, refused to share in any schemes of Defence. The smaller Colonies all undertook to pay round sums in accordance with their means, and Sir Edmund Barton's premonition of trouble with the Labor Party on his return was overborne by Sir John Forrest and Mr. Seddon, two staunch Imperialists. An agreement was finally signed by which the Commonwealth of Australia and New Zealand agreed to pay the British Government five-twelfths and one-twelfth respectively of the annual cost of maintaining the naval force on the Australian Station, the total amount so paid not to exceed £200,000 and £40,000 respectively in any one year. Sir Edmund was able to take credit in Parliament, on his return, for having, in the financial aspect, reduced the original proposals of the Admiralty by nearly one-half.

The topic of Military Defence in the Colonies offered a field for professional and technical discussion, but did not stir much enthusiasm. It was introduced by a resolution proposed by Mr. Seddon, Premier of New Zealand:—

That it is desirable to have an Imperial Reserve Force formed in each of His Majesty's dominions over the seas, for service in case of emergency outside the Dominion or Colony in which such Reserve is formed. The limits within which such Reserve Force may be employed outside the Colony wherein it is raised to be

defined by the Imperial and Colonial Governments at the time such Reserve is formed. . . . The cost of maintaining and equipping such Imperial Reserve Force to be defrayed in such proportion and manner as may be agreed upon between the Imperial and Colonial Governments.

Mr. St. John Brodrick, the Secretary of State for War, expounded in person the views of his important Department. He was not averse to Mr. Seddon's proposal, but he had doubts on some points. In general, the Colonial ideas of training and discipline left much to be desired. The Colonial contingents sent to South Africa were not soldiers who could be put in line with trained European troops. The reports of their own officers justified that contention. What he desired to see was a carefully-selected body of men from the Colonial forces specially trained, with the understanding that in certain circumstances they should be liable to oversea service; in fact, that they should to all intents and purposes be a part of the Army Reserve of the Imperial Forces. Unless the British Government had the definite right to call for the services of these troops, it was not reasonable to suggest that it should contribute to the cost of their maintenance. He estimated the outlay by the Colonies on such a force at about £180,000 per annum, and he compared it rather ironically with the millions which the Empire had been called upon to spend for the safety of its outlying dominions.

While the smaller Colonies were willing, as in the case of Naval Defence, to agree to Mr. Brodrick's version of the Seddon resolution, and to hold a "special body of troops earmarked for Imperial service," Canada and Australia stood unconvinced. The most that Sir Wilfrid Laurier and Sir Edmund Barton could commit themselves to was to express the opinion "that the best course to pursue was to endeavour to raise the standard of training for the general body of their forces." They contended that the notion of a special force, set apart for general Imperial service, and practically under the absolute control of the Imperial Government, was objectionable in principle, as derogating from the powers of self-government enjoyed by the Colonies. It was manifestly useless to press the matter further, and the conference agreed that, if the British

Government decided to take action on Mr. Brodrick's suggestion, it would be best to do so through the usual channel of official correspondence.

The very great anticipations which Mr. Chamberlain said he had formed as to the results which might accrue from the conference were certainly not realised. Sir Edmund Barton returned to Australia to find a fierce opposition to the terms of the Naval Agreement, and almost an impeachment of himself, for not having taken the attitude assumed by Canada. As far as Australia was concerned, the conference had been of little direct value; but as an historical incident it will be remembered as marking the parting of the ways between Imperial and National conceptions of patriotism.

CHAPTER V.

THE SECOND SESSION OF THE FIRST PARLIAMENT.

PROTRACTED as had been the sittings of the first session of Parliament, it had made but very small progress with the task set before it in the opening speech of Lord Hopetoun. Although no special statesmanship was required in adapting existing legislation to the wider field of the Commonwealth, it involved a great display of patience, and the loss of much time, to overcome the persistent tendency to irresponsible interference in a Parliament where the Members were mostly strangers to each other, and as yet not amenable to the discipline of party or person. The Tariff, and the two Acts which grew out of the "White Australia" aspiration, had been the chief work of the session. The first often arrayed Members in hostile camps, but by no means necessarily on party lines. The handling of the other Acts gradually revealed the strength and unity of the Labor Party, whose dogged pertinacity over their pet measures could not be turned aside by suave generalities. Hence, it came about that important measures, like Mr. Deakin's Judiciary Bill and Mr. Kingston's Conciliation and Arbitration Bill, had failed to command finality, and the programme for 1903 was hopelessly lengthened.

After a six months' recess Parliament was called to work on the 26th May, 1903. A great mass of business was laid before Members in the speech of the Acting Governor-General, Lord Tennyson. In view of the poor results attained in the previous session, His Excellency could hardly look for completion of the long list of measures, which, he said, would make renewed demands on their industry and patriotism. The principal subjects to which attention was to be directed were the establishment of the High Court of Judicature, required by the

Constitution Act; the selection of the site for the Federal Capital; the inauguration of Courts of Conciliation and Arbitration, to deal with disputes extending beyond the limits of any one State; the ratification of the agreement for Naval Defence, entered into by Mr. Barton at the Colonial Conference in London; the establishment by statute of a uniform Defence system for Australia; the transfer of the control of British New Guinea from the Imperial Government to the Commonwealth; the appointment of a High Commissioner to represent Australia with dignity in London; the establishment of an Interstate Commission, to assure freedom of trade between the States. These, and a few minor matters, such as an amendment of the principle upon which the sugar bonus was paid, uniform patent laws, and an Act for the naturalisation of aliens, were all awaiting consideration. But a number of other measures were in preparation, which would be gladly brought forward if the opportunity offered. They comprised such important matters as uniform navigation and shipping laws; the taking over the State debts; and the enactment of a banking law for the Commonwealth; the consideration of railway communication between Perth and the Eastern States; the settlement of a new contract for the carriage of European mails by vessels in which only white labor is employed; and the ratification of a contract, provisionally entered into, with the Eastern Extension Telegraph Company.

Of this imposing list, only three items of first importance reached the Statute Book during the session. The Judiciary Act and its appendant Procedure Act were carried through by Mr. Deakin. Sir John Forrest got his tentative Defence Act assented to. Mr. Barton, after a prolonged struggle, carried the Naval Agreement Act, and transferred his personal responsibility for it to the House. In addition, the Patents Act, the Naturalisation Act, and the Sugar Bounty Act, passed through the fire of controversy into the serene domain of established law. For the rest, they were destined to await the solution of administrative difficulties, which were soon seen to be looming over the Government.

It was early manifest that the Barton Ministry had but a nominal headship of the House. The Labor Party, flushed with their success in carrying the only two measures of the previous session in which they were interested, were content to wait bids for their support. They knew that when the Ministry and the Opposition ceased to mark time, and to undertake legislative work in earnest, there would probably be a collision, and then it would rest with their party to say on which side victory should fall. It would be a matter of unabashed negotiation, and the side that could give the most aid towards realising the "objective" of the Labor Party would command its support. That "objective" had been laid down for them by the Federal Labor Council, which sat in Sydney during the recess. It was, in the main, Socialistic in tendency, but shorn of some of the extreme demands of previous declarations. But it was emphatic in demanding such an alteration of the Constitution as would enable the Federal Parliament to supersede the States in the matter of industrial legislation, and the regulation of wages.

From the first day of meeting there were signs of disaffection. The Prime Minister was heckled with questions and complaints that must have sorely tried the serenity of his temper. Not only were his administrative acts girded at—often with a discourteous bluntness—but even his actions in matters, where a private citizen would hotly resent interference, were made subjects of debate. On his return journey from London, Sir Edmund Barton, in passing through Rome, had paid his respects to the Pope. When that dignitary had expressed his satisfaction at the reports which had reached him of the tolerance shown in Australia to the professors of other religious creeds, Sir Edmund had assured His Holiness that he might rely on such toleration continuing. This harmless exchange of amenities was exaggerated and twisted, until it was made to appear that the Prime Minister had given an official assurance that Catholics might rely upon receiving in Australia a greater share of liberality and benevolence than they receive in other parts of the Empire. Even had it been

true, it would have been a highly complimentary tribute to Australian public feeling. It was a good card for his opponents to play against him by rousing sectarian animosity, and a petition was engineered and presented to the House by Mr. Wilks, in which it was alleged that 30,000 Protestants expressed their emphatic disapproval of the visit, and prayed that the House would "strenuously oppose the conferment upon him of any position of honor or dignity in the Commonwealth until his actions have received the endorsement of an electorate of the Commonwealth." Needless to say that the Prime Minister's account of his visit quite satisfied the House; but strong efforts were made by a minority to force on a discussion, which it required all the Speaker's firmness to repress. Knowing the fierce hatred which sectarian strife engenders, the incident by itself was of no great moment; but it was not without significance—if the alleged number of signatures to the petition was correct—that 30,000 people could be found in Australia to put such a ban on the political career of a man, whom two years before they had tumultuously acclaimed as "Australia's noblest son," and who had just been the recipient of titular and academic honors in England.

The barrenness of results in dealing with the tasks set them in the Governor-General's Speech was largely due to the discursive loquacity of Members, which, in turn, arose from the want of a strong guiding hand to keep them to their work. The handling of the Appropriation and Supply Bills illustrates this in a marked degree. As these rarely involve any great question of principle, and the Treasurer was known to be a severe economist in framing his Budget, it might have been supposed that they would not have evoked much discussion; but in dealing with them this session, there was an amount of protracted wrangling that would have discredited an inexperienced shire council in the back-blocks. It was to be expected that the influence of the Labor Party would tend to ensure all Government expenditure being on a scale consistent with the payment of liberal wages. Largely this was the case so far as the wages of Government servants were concerned;

but where, in the higher grades, the wages were called salaries, Members were seized with occasional spasms of economy.

The fact that every individual out of a hundred Members and Senators had a right to challenge a Minister's carefully-formed opinion of the money value of clerical or professional services—that he could even command a division of the House on the question of a messenger's or caretaker's wages—pointed to a position of things that would undoubtedly make for favoritism and jobbery amongst politicians. And it surely tended to make the employés think lightly of

That constant service of the antique world,
When service sweat for duty, not for meed.

This interference was specially noticeable in a contest between the two Chambers in the matter of their respective staffs. Protests were entered by some Members against the indignity of trifling increases of salary being made the subject of heated debate. Mr. Higgins urged that, to spare Members the unpleasantness of having to deal with the pay of men whom they were in daily contact with, such duty should be placed upon the Public Service Commissioner. Mr. Deakin replied that the Public Service Bill, as originally presented, made that provision, but that Parliament had insisted on amending it, in order that it might be the sole master of its employés. A debate went on for a month, and quite warlike messages were exchanged between the two Houses. The difference was largely, though not entirely, connected with the status of a messenger employed by the Senate, and so tenacious was that Chamber of its supposed rights, that finally the Government had to lay aside the Appropriation Bill, over which so much controversy had been expended. On the 21st of October—the last day of the session—they brought in a fresh Bill, in which compromises were made that secured its adoption. Such matters are only worth recording for the light they throw on the difficulty of getting measures of really vital importance dealt with.

This difficulty was further intensified by irresponsible Members raking in subjects for debate, as to which it was evident,

from the outset, that no legislative action was likely to be taken. Hundreds of pages of "Hansard" are taken up with this kind of talking at large. Take, as a sample, the attack made on the Governor of Victoria, Sir George Sydenham Clarke, in the House of Representatives by Mr. Crouch, and in the Senate by Mr. Higgs, on the occasion of the Governor delivering a lecture on "The Navy and the Nation" at Fitzroy on 11th June, 1903.

Mr. Crouch, although a lawyer by profession, was rather conspicuous for jumping at conclusions without being sure of his basis. He got hold of an idea that the Duke of Connaught would probably be appointed to succeed Lord Hopetoun, and he at once proceeded to press Sir Edmund Barton to take up the position that the Government of Australia must be consulted with regard to any such appointment, and, even further, that the House should have an opportunity of considering any proposed appointment. On another occasion he discovered in some unauthorised table of Precedence, published in a daily paper, that a Privy Councillor stood before a Member of an Australian Executive Council, and demanded to know what the Prime Minister was going to do about it! So, in the case under notice, Mr. Crouch brought the matter before the House on the 10th of June—the day before the lecture was to be delivered—and, in anticipation of its containing something improper, he asked Sir Edmund Barton if he would cause a communication to be made to Mr. Joseph Chamberlain, asking that State Governors should be instructed not to intermeddle with Federal party politics. The Prime Minister promptly replied that he would do nothing of the kind, and as the lecture turned out to be a valuable and scholarly contribution to a subject then pressing on men's minds, Mr. Crouch had no opportunity of reopening the subject. But it passed to the Senate, and there, in the more experienced hands of Mr. Higgs, it caught on. That Senator, as editor of the leading Labor Socialist paper, had learned many things in the art of attack. The resolutions he submitted, while expressing an opinion that the Governor of Victoria had an inadequate knowledge of his duties, were in

substance directed against the Minister of Defence, Sir John Forrest, who, in moving a vote of thanks to the lecturer, had, he said, acted in a manner that merited condemnation by the Government, as well as by the Senate. Under this cover Mr. Higgs treated the Senate to some hours' talk on Constitutional history, during which he reviewed the shortcomings of English monarchs, from Richard the Second to the last of the Stuarts, in a manner that must have been trying to the patience of his hearers. Yet this purposeless debate dragged on. There were adjournments and divisions, and it was not until the 12th August that the resolutions were rejected in the Senate by nineteen-votes, to five who backed up Mr. Higgs.

Many more such excursions into regions of speculative politics were indulged in, and problems were discussed with that smug complacency, born of half-knowledge, which is more dangerous than blunt ignorance. It is due to Parliament to say that the majority of these time-wasting side issues ran their course in the Senate, which, being occasionally left without work by a block in the other Chamber, diverted itself with experimental suggestions. On the 4th of June a private Member, Senator Pearce, of Western Australia, moved: "That in the opinion of the Senate, it is advisable that the manufacture of tobacco, cigars, and cigarettes should be a national monopoly." The usual bait of a large addition to the revenue, without any increased outlay by the consumer, drew many into the discussion, which did not reach finality until the 26th August, when the Senate was equally divided, and the motion was declared lost. A system of Old Age Pensions, under Commonwealth control, was proposed by Senator Neild, a private Member, and although the representative of the Ministry expressed sympathy in the abstract, he could not see where the money was to come from. It is amusing, in reading this debate, to notice the fallacious ideas then held of its cost. In the light of what has been demonstrated since, it shows how little they understood what they were talking about.

Again, on the 23rd September, Senator De Largie started a proposal for a referendum on the fiscal question, giving to

every elector the somewhat confusing choice of whether he wanted a Protectionist Tariff, or a Freetrade Tariff, or a Protectionist Revenue Tariff, or a Freetrade Revenue Tariff. This bland proposal to reduce Members to mere voting machines was debated, amended, called for two divisions of the Senate, and after 36 columns of speeches, still had five faithful adherents when the vote was taken. Academic discussion on decimal coinage, and the metric system, evoked much enthusiasm in their propounders, but failed to stir the energy of the rank and file.

But apart from these, and other side issues by which Members were seduced from prosecuting the work laid down for them in the Governor-General's Speech, the session was marked by two vigorous debates. That on the Judiciary Act reached a high standard. Mr. Deakin introduced the second reading in an exhaustive speech on the 9th June, and contended, with almost passionate earnestness, for the full and adequate equipment of a High Court on a scale befitting the highly important position which it would hold in the interpretation of the law. He reviewed at great length all the objections advanced against it during the prolonged debate on the "Address in Reply." He was emphatic in declaring that the proposals for its postponement, as being not yet needed—which had been frequently urged—were met by the mandatory character of the Federal Constitution, which required its establishment forthwith. He would call it into being at once, with the full complement of five judges, and proposed to fix their salaries on a scale that would place them in rank above all other Australian judges, on whose decisions they might have to sit in appeal. The second reading was carried by a majority of nine, after a debate in which 24 Members took part, half of whom were lawyers. Among the latter, Mr. Higgins, of Victoria, and Mr. Glynn, of South Australia, were prominent in their opposition. The outlook for its progress through Committee was not encouraging. Mr. Deakin's aspirations for completed dignity at the outset were treated as mere sentiment. He had satisfied the House that the Constitution required a High Court, and it would con-

form to the mandate, while doubting the necessity. Even though it was to be the "guardian and interpreter of the Constitution," it would have so little to do for some time, that a small establishment would suffice. The Labor Members were indifferent when they were not actively adverse, but most of them objected to what they regarded as additional and costly legal machinery. Hence it came about that it emerged from the Committee stage so mutilated of its fair proportions that the usually patient and urbane Mr. Deakin was constrained to declare that he could not be fairly expected to be responsible for it. Several clauses were struck out entirely. The number of judges was reduced to three. Their pension rights were refused. Their salaries were cut down to the figures of the Supreme Court payments in Victoria, where the judges enjoyed substantial pensions, and thus received a higher emolument.

When the Bill reached the Senate, a renewed effort was made to relegate it to the undefined future. When that was found impossible, the debate was prolonged by a vigorous appeal to reinstate the pension rights, but when it came to a division it only found three supporters. A large number of technical amendments were made, almost entirely by Senators of the legal profession, which were probably not easily grasped by lay Members. On the return of the Bill to the House of Representatives, Mr. Deakin proposed their acceptance *in globo*. But several Members protested against being called upon to vote without further enlightenment, and Mr. Deakin accepted the stupendous task of making the bearing of each amendment on the original measure appreciable by the lay mind. In the end all were accepted, one only having a slight addition made to it, in which the Senate concurred. The Royal assent was accorded on the 26th August, and after a stormy passage of two and a-half months, the Act reached the haven of the Statute Book, and provided for what the political world expected—the translation of the hard-pressed Prime Minister to a more congenial field of operations.

The other prolonged debate was over the Conciliation and

Arbitration Bill, which was not destined to become an Act during this session. Prior to the application for leave to introduce the Bill, there was a sharp attack on Mr. Kingston, Minister of Customs, who had charge of it, upon the grounds that, before submitting it to the House, he had supplied a copy to the "Age," one of the Melbourne daily papers; further, that in defiance of all precedent, the paper in question had so far anticipated Parliament as to publish the Bill in full, together with elaborate comments by representatives of the Melbourne Trades Hall Council and the Employers' Federation—representing the extreme of opposite views on the projected legislation. The storm was averted by Mr. Kingston frankly acknowledging an act of weakness. He had, under pressure, allowed a reporter to see the Bill, subject to a solemn promise of confidence, which, he said, had been shamelessly broken. He would be wiser in future; but, he added guilelessly, that he had only given it to one paper, because he knew that the organ in question sympathised with the proposals.

This preliminary squall was on the 7th of July. A fortnight later Mr. Kingston resigned his position in the Ministry. He was more entirely in harmony with the demands of the Labor Party than any of his colleagues, though all were, to some extent, amenable to that control, and the long Cabinet meetings over this Bill had been far from happy. The Government had yielded to his persistence on some of the more drastic clauses of the measure, but they hesitated to embroil themselves unnecessarily with the sea-borne commerce of the country. Mr. Kingston claimed that an award under the Arbitration Court—to be constituted by this Bill—should not only be what is called a "common rule"—that is, a rule which would bind persons similarly placed, who were not parties to the cause before the Court—but he desired to make it apply to all British and foreign shipping engaged in the coastal trade. The Prime Minister, with his wider knowledge of the legal, and possibly international, difficulties which might arise, tried to induce Mr. Kingston to accept his promise of ample protection for seamen which he proposed to insert in a special Navigation

and Shipping Bill, of which notice had been given. But his energetic colleague would brook no delay. He said he could be no party to a Bill that did not clearly apply to seamen on all ships engaged in the coastal trade, and, therefore, he retired, receiving the felicitations of the Opposition and the Labor Party on his straightforward and manly action.

The charge of the Bill passed into the more pliant hands of Mr. Deakin, who moved the second reading on the 30th of July. His speech made up for what it lacked in practicality by the roseate tints in which it painted the ideal community, where, under the paternal discipline of a judge of the Arbitration Court, capital and labor would be ever emulous to promote each other's interests. He took the happy medium line that avoided rousing any strong antagonism from either side, and he won the loud applause of the Labor Party by implied suggestions of easily enlarged powers when the Act was once set going. The debate on the second reading was not closed until the 4th of September, the Prime Minister, in the meantime, being continually girded at for interrupting its discussion with other measures which the House held to be of less importance. There is little doubt that Sir Edmund Barton scented a crisis, for his former henchman, Mr. Kingston, was stirring up strife as to details. There was much resultless fault-finding; but, with one exception, there was no direct attack on the principle involved in the Bill. Many speakers were doubtful of the present necessity for it, seeing that some of the States already had Acts of the kind in force, and had not been able to decide whether they were beneficial or not. It was urged that the Federal Parliament could well afford to await the result of experience from these sources. Some contended that the intentions of the Bill aimed at trenching on State rights; others, that it did not go far enough, and that steps ought to be taken to induce the States to consent to a transfer to the Commonwealth of the whole control of industrial wages, as had been suggested by a resolution of the Parliament as far back as the 28th of June, 1901. A large number of Members, while expressing themselves as very doubtful concerning the

issue, were yet willing to take it as an experiment. The Labor contingent were not troubled with any doubts about the issue, and their leading speakers had a dogmatic confidence that made Mr. Deakin's elegant advocacy appear very tame.

The one exception, above referred to, was Mr. Bruce Smith, Member for Parkes (N.S.W.), who denounced the Bill root and branch as a retrograde step, the first of a series of interferences with, and regulations of, daily conduct, for which a parallel could be found only by going some centuries back in our history. He was repeatedly interrupted by hostile interjections, but he made out so strong a case that the interjectors, when their turn came to speak, were unable to answer it. His prophetic remark that "the very people for whom this particular Bill is being enacted will themselves complain of it before very long" received confirmation before it had been five years on the Statute Book.

In Committee, the Bill received the rough handling which the Prime Minister had feared. An amendment was carried against the Government on the second clause with only a faint show of resistance. The third clause, which provided that the Act should *not* apply to the public servants of the Commonwealth or of a State, was vigorously attacked by Mr. Fisher, a Queensland Labor Member, on the ground that it cast a slur on the many valuable public servants of Australia, and he moved the deletion of the word "not." After a long debate, his amendment was rejected by a majority of seven. Then Mr. M'Donald, also a Queensland Member, moved that the following words be added to the clause:—"Except that it shall apply to the railway servants of any State." Mr. Deakin promptly pointed out that such a decision would destroy the self-governing powers of the States by placing over them a tribunal to decide the terms and conditions under which their railway servants should be employed. But the time was past for argument, heads had been counted, and expostulation was useless. On a division 26 Members voted for the amendment, and the Government found only 21 supporters.

The Prime Minister said the situation created by this vote

was one of such gravity that he must consider his position before undertaking any fresh business. And, indeed, apart from the present defeat, it was time. The defection of Mr. Kingston had tried him, and he recognised that the Labor Party, who held the balance of power, were inclined to blame him for the retirement of the bluff Commissioner of Customs, who, though far from popular with the mercantile world, was the idol of the ultra-radical party.

The responsibility of the Cabinet reconstruction, the greatly-increased load of work thrown upon him by his determination to see that everything was done constitutionally and in order, and the incessant nagging to which he had lately been subjected in the House by question and innuendo, had told upon his health. There were financial problems looming in the future, for the solution of which he had neither inclination nor experience.

The Judiciary Bill had received the Royal assent. If he had taken the position of Chief Justice of the Commonwealth High Court, it would probably have been regarded by the community as the natural outcome of his services. But he was exacting towards himself, and desired to get the best man in Australia for that exalted position. This end achieved, he would be willing to take the second seat.

Meanwhile, he had to consider his position in Parliament, and not to walk out in sulky indifference, leaving important issues unsettled. When the House met on the 9th of September, he calmly announced the intention of the Ministry to proceed no further with the Arbitration Bill, and to devote the remainder of the session to a few important measures which remained incomplete. A storm of reproaches burst upon him from various quarters. Mr. G. H. Reid led the attack in a scathing denunciation of the insincerity of the Government in its whole conduct of the measure. He was supported by Mr. Watson, the Leader of the Labor Party, by Mr. Kingston, Mr. Joseph Cook, Mr. Hughes, and several others, with powers of invective that brooked no offered explanations. But the wrath evaporated in words, though Mr. Reid intimated that he

reserved his right to take the sense of the House at another time on the conduct of the Ministry. He would not push it to a division then, because he had a great objection to snatch votes.

Rather reluctantly, the House took up its hum-drum work of voting supply, considering electoral divisions, and studying topographical problems, illustrated by picnics, in connection with a site for the Federal Capital. But the heart was gone out of their proceedings; the air was full of rumors about Cabinet changes, and the Prime Minister was a sphinx. Feelers were thrown out which only elicited oracular answers. On the 22nd September, only a few days after the Prime Minister had announced the proposed course of business, Sir Wm. M'Millan appealed to him to fix a definite date for informing the House as to the intentions of the Government with regard to the appointments to the Bench of the High Court. Sir Edmund replied that as soon as there was anything definite concerning the composition of the Court to be made public, he would make a statement. Mr. Wilks pushed the matter further by asking if he thought, in view of the recent defeat of the Government, his Cabinet was justified in making any such appointments as those to the Bench of the High Court. Sir Edmund blandly replied that he had no reason to doubt that his Government possessed the confidence not only of the House, but of the whole country. On the following day, Mr. Conroy made a further effort by asking the Prime Minister to consider the propriety of not making further appointments of any kind whatever, which elicited a response that the suggestion was not worthy of a reply.

The next day ended the suspense. On the 24th September the announcement was made in both Houses that the Prime Minister and the Vice-President of the Executive Council, who had represented the Government in the Senate, had bidden farewell to politics, and taken their seats on the High Court Bench, with Sir Samuel Griffith, G.C.M.G., as Chief Justice. The promptness with which the final stages of this transformation were carried showed a marked contrast to the long-drawn-out

proceedings of Parliament generally. In the morning the two prospective judges tendered their resignations to the Governor-General. He promptly accepted them, and sent for Mr. Deakin, whom he asked to form a Ministry. Mr Deakin, with equal promptitude, completed a Cabinet by filling the two vacancies with Mr. Austin Chapman and Senator Playford, held his first Executive Council, and duly-appointed Sir Edmund Barton and Senator R. E. O'Connor to the positions awaiting them. He was able to make his statement in the House the same afternoon, and was granted a few days' adjournment to get his new recruits sworn in. As far as the promotion of their own colleagues was concerned, both Houses were effusively complimentary; but in the Senate the appointment of Sir Samuel Griffith as Chief Justice was denounced by Senator J. C. Stewart, a Labor representative from Queensland, in a manner that exceeded the bounds of decorum. The gravamen of his charges was discounted by his manifest political bias, and he only obtained two or three supporters. The only dissentient voice in the House of Representatives was that of Mr. Kingston, who entertained a strong grudge against Sir Samuel Griffith, arising out of some far-off political difference when they were both State Premiers.

The last few weeks of the session were mainly occupied in discussing the Seat of Government Bill, introduced by Sir William Lyne on 6th October. This speech bristled with formidable figures of comparative temperatures, mean distances, facilities of access, sufficiency of water supply, and estimated cost of obtaining respective sites. The latter ranged from about £1,780,000 for Orange, down to a modest half-million for Tumut. But it was not regarded as a question into which financial considerations should intrude. After an animated debate, in which many hard things were said about the Government neglecting for three years to deal with a question which the late Prime Minister had declared of immediate urgency, the second reading was carried on the voices. Sir William Lyne then proposed that the opinion of Members should be determined by a preferential ballot in respect of the

nine sites that had been reported on by a Royal Commission. The result of the first ballot was as under :—

Bombala	... 16	Armidale	... 6
Tumut	... 14	Lake George	... 2
Lyndhurst	... 14	Orange	... 2
Albury	... 7	Bathurst	... Nil.
Dalgety	... Nil.		

In the second ballot, Bathurst and Dalgety were thrown out. In a third, Orange and Lake George were discarded. In successive ballots, Albury, Armidale, and Bombala failed to find sufficient support, and the final ballot left Tumut with 36 votes, and Lyndhurst with 25. So the word Tumut was filled in to the blank in the waiting Bill, and it was duly sent on to the Senate. But it fell into a hostile camp. The Senators would have none of Tumut. They did not adopt the preferential ballot, but voted straight for their pet places one after another, and finally settled on Bombala by 19 votes to 10. And they sent the Bill back to the place of its origin, with their minds quite made up. The House of Representatives talked the matter over, and declined to accept the amendment. The Speaker politely intimated this decision by letter, and the Senate, having considered it, saw no reason for altering their opinion. The closing days of the session had arrived, and a general election was pending. The Bill was dropped, and the three years' delay, so bitterly complained of, was destined to be extended to ten years before a decision was come to. It is worth noting that the debates on this subject during the month of October, 1903, fill 800 columns of close print in the official reports—debates that were absolutely resultless. And when, to this is added the very large sum of money expended in Royal Commissions and the frequent travelling parties of inspecting legislators, the dispassionate observer must marvel at such a vast waste of energy.

This was the last great contest, and its solution was relegated to the future. On the 22nd October, the Acting Governor-General bade them farewell, with a courteous intimation that their important and arduous labors had brought the

constitutional machinery of the Federal Government "very near to completion." He deeply regretted that no final agreement had been reached with regard to the locality of the Seat of Government, but he believed that at least substantial progress had been made towards that end. The discussions of the next six years probably convinced him that he had been unduly optimistic.

Parliament was prorogued until the 14th November, and thereafter was dissolved by proclamation on the 23rd of that month. A general election was to take place in December.

CHAPTER VI

THE SECOND PARLIAMENT

FIRST SESSION

THE interval between the prorogation of Parliament on the 22nd October and the general election on 16th December, 1903, was a period of intense activity in Press and on platform throughout Australia. There was a widely-expressed feeling that the first Parliament, with its poverty of realising promised legislation and its wealth of irresponsible wordiness, had come far short of expectations. True, it had been elected in a rather happy-go-lucky fashion, with the result that many untried men had greatness thrust upon them tentatively. Now was the opportunity for weeding out the incapables. Some thought even less of this than of the possibility of breaking the thrall of Labor domination, under which the so-called Liberal Party was alone permitted to exist. It was contended that under that domination Parliament had largely lost the confidence of the electors; it had lowered the dignity of its great position, and, under outside influence, had tended to become a school of experimental Socialistic legislation. This was no doubtful deduction—no party-made cry for electioneering purposes. The Labor Party had the power, the organisation, and, above all, the courage to state their position in plain language.

Senator M'Gregor, the Leader of that party in the Senate, had boldly declared: "We are for sale, and we will get the auctioneer in and take care that he is the right man. . . . I want to show the Government what they have to do to secure our support." Others had confirmed this view in almost as strong language; and though Mr. Watson, the Leader in the House of Representatives, had too much tact to be quite so blunt, he wielded an equally-dominating influence.

The Prime Minister, Mr. Deakin, spent much of the recess in vigorous rallying addresses—notably at Ballaarat—where with what appears like hopeless incongruity, he pleaded for “fiscal peace and preferential trade.” Mr. G. H. Reid, the Leader of the Opposition, valiantly flaunted the equally-hopeless flag of Freetrade, and hotly denounced the Immigration Restriction Act and other Labor measures, which he declared mainly contributed to the stagnant state of the population. Mr. Watson was rather less in evidence than the other two leaders; but he had a widely-spread organisation working for his party, and he simply kept his eye on the machine. The elegant oratory of Mr. Deakin, and the humorously persuasive speeches of Mr. Reid, strongly impressed those who heard them; but in cold print they did not stir the pulse of action in the same manner as did the unhesitating promises of individual benefit so freely distributed by Mr. Watson’s allies.

The result of the six weeks of turmoil came as a surprise. The Labor Party scored all round. Of the eighteen Senators who retired in terms of the Constitution Act, ten failed to secure re-election. Of the ten new men who replaced them seven were pronounced supporters of the Labor platform. In the House of Representatives there were seventeen new Members, of whom seven at least ranged themselves under Mr. Watson’s banner. It is true that of the 27 politicians who were thus cast out there were not any men of light and leading. It remained for those who supplanted them to show whether the country had gained by the exchange. With one or two exceptions they did not rise out of the rank and file during the first decade of the Commonwealth.

Surprise at the results of the polling, so far as party was concerned, gave place to some indignation when an analysis of the voting disclosed the apathetic indifference with which the elections had been regarded by the great mass of the voters. It seemed incredible that a people who had fought the great struggle for universal suffrage, who had so fiercely assailed the plural vote, who had agitated for longer hours for polling, for postal ballot-papers, and for the enfranchisement of their wives

and daughters, should, when they had secured all they asked for, have refrained from exercising the privilege so loudly demanded.

Queensland, politically a very live State and a fine breeding-ground of Labor politicians, headed the list with 54 electors, out of every hundred on the rolls, doing their duty. New South Wales found 53 in the hundred responsive; Victoria, 52; Tasmania, 44; South Australia, 32; and in Western Australia, only 27. With all the facilities offered by postal voting and other conveniences, the laxity seemed inexcusable. There is little doubt, however, judging by results, that the chief delinquents were to be found amongst the farmers, shopkeepers, and trading classes. The artisan and the laborer were well looked after, and their diligent attention to the guidance of their unions resulted in an all-round increase in the representation of their class.

While men were debating these points and speculating whether the changes in the new Parliament meant improvement or deterioration, a change took place in the responsible head of the Government. Lord Tennyson, as the senior State Governor in Australia at the time of Lord Hopetoun's resignation, had been called upon by the Imperial authorities to hold the position of Governor-General pending further arrangements. He had held this office for eighteen months, greatly to the satisfaction of his Ministers, and of all with whom he had been officially connected. His successor was Lord Northcote, who had been appointed in the previous August, and was sworn in at Sydney on the 21st January, 1904. A son of the Earl of Iddesleigh, better known as Sir Stafford Northcote, the English statesman, he was a man of ripe judgment, with wide administrative and Parliamentary experience, having sat in the House of Commons for twenty years. He was transferred from the comparatively autocratic Governorship of Bombay, and during his five years' residence in Australia was brought into close touch with some remarkable phases of democracy, social and political. Throughout, he showed firmness and impartiality, and his wide personal popularity was

enhanced on the social side by his amiable and clever wife, who evinced an exceptional interest in the affairs of her Australian sisterhood. To Lord Northcote fell the task of conveying to the newly-elected Parliament the programme which his Ministers had drawn up for their consideration.

When that Parliament assembled on the 2nd March, 1904, the position did not promise well for the Government. In the House of Representatives Mr. Deakin presided over 26 Ministerialists, and faced Mr. Reid's Opposition with exactly the same number, while the Labor Party, under Mr. Watson, counted 23. These figures were not final, for two of Mr. Reid's supporters were subsequently unseated on petition, and of the two who filled their places, one went to Mr. Deakin, and one to Mr. Watson. This left the final position—Ministerialists, 27; Opposition, 24; and Labor, 24. It was early manifest that the session would be stormy, and the House unmanageable. Nor could the Ministry hope for assistance in another place. In the Senate, Labor was practically absolute. The numbers were—Labor Members, 15; Opposition, 12; with only 7 declared supporters of the Government, and 2 Senators who claimed to be "Independent." In the Senate, Sir Richard Baker was re-elected President, after a contest with Senator Gould, so the honor of the position remained with South Australia. There was no contest in the other House, and Sir Frederick Holder was returned to the Speaker's Chair, and received hearty congratulations from the leaders of all three parties.

These formalities having been disposed of, His Excellency the Governor-General proceeded to outline to Members the work of the session. Some Bills were announced as being ready for submission to them, such as those dealing with the establishment of Courts of Conciliation and Arbitration, with Navigation and Shipping, with the survey of a line of railway to connect Western Australia with the eastern States, with the creation of an interstate Commission relating to trade and commerce, with the assuming of direct control over British New Guinea, together with a few minor Bills amending the

Electoral Act, regulating Copyright, Trade Marks, Rings and Trusts, &c.

But a larger volume of important work was indicated as being in train for early consideration. The hope was expressed that arrangement would be soon completed for taking over the public debts of the States. It was suggested that certain proposals for preferential trade would, if adopted, secure a vast and reliable market for the products of the agriculturalist. It was alleged to be a matter of urgency to find some means of attracting the population needed to enable the Commonwealth to maintain her responsible position in these seas. The appointment of a High Commissioner to have charge of Australian interests in London demanded prompt attention, and, finally, an early and definitive settlement of the site of the Federal Capital was "very necessary."

The performance of the session fell very far short of the promise, for the path of progress was blocked by the early resuscitation of the ill-omened Conciliation and Arbitration Bill. It was introduced by Mr. Deakin on the 22nd March in a lengthy speech of considerable force and clearness; but he had no easy task to satisfy his Labor supporters of the merits of his opposition to the inclusion of the State servants in its operations. The bitter feeling which had been aroused in Victoria by a recent unsuccessful strike of the railway servants had made the Federal Labor Party more than ever desirous of getting direct control of the industrial machinery in all the States. Thus efforts were continually made to enlarge the scope of the proposed Act. No legislation, with the exception of the Tariff, has ever produced anything like the mass of heated discussion. It wrecked three Ministries; it embittered the relations of parties in Parliament; it evoked the antagonism of the States; and it offered a means whereby dissatisfied workers could, by collusion with their fellow-workers in another State, flout the Courts duly appointed to deal with their complaints, and transfer them to another tribunal, which it was hoped might override the jurisdiction of the States. The solidarity of the Labor Party, and the

tenacity with which they fought through long sittings for preference to unionists, and other class privileges, would have done credit to a more generous view. But their successes in this respect did not win the applause of the non-union laborer, who demanded the right to sell his toil. Efforts were continually made in both Houses to utilise the provisions of the Bill for the purpose of extending the principles of industrial unions. Amendments were submitted at different times to bring agricultural laborers and domestic servants under the Court. When, finally, the last amendments to some extent limited the preference to unionists, several Labor Members declared that the Bill was "a mere sham" and "a political fraud" that would defeat the very object for which it was designed.

It was not until the 8th December that the Bill reached the stage of adoption. In its original form it was intended to be a measure for the prevention of strikes, when by reason of their extending beyond any one State the State Courts might be found inefficacious. After its nine months' discussion, it was armed with such powers in the regulation of wages and hours of labor, wherever it could legally interfere in disputes, that it became a fomentor of discontent, and in no recorded case prevented the ultimate appeal to that cruel arbiter of industrial disputes it was supposed to avert, and early in its career the High Court of Australia had to declare that some of the provisions it was seeking to enforce were unconstitutional. The career of the Bill through Parliament was unique in Commonwealth annals. The shiftiness, expediency, and flat contrariety of much of the voting can never be explained. Sir Edmund Barton dropped it on the question of the inclusion of the servants of the State. Mr. Deakin resigned when that provision was again carried against him. His successor, Mr. Watson, resigned because an amendment was carried which militated against his "effective protection for unionists." The Reid-M'Lean Ministry compromised on this, and a good many other matters in order to get into recess. If ever a Bill drifted through Parliament without fully satisfying any one

of the parties, but from sheer exhaustion of debate, and a desire to be rid of it, the "Commonwealth Conciliation and Arbitration Act 1904" certainly achieved that distinction. Even Mr. Deakin eventually allowed to pass the clauses that had led to his overthrow, doubtless being satisfied in his own mind that they would be disallowed when they came before the supreme legal tribunal.

Besides this much-debated measure, only four Acts were passed during the session, owing to the acute state of party strife for possession of the Treasury benches. Two of these were short and unimportant Acts. "The Acts Interpretation Act" was a technical machinery Act for enlarging the scope of a previous Statute passed by the first Parliament, and to govern legal definitions, and abbreviate verbosity in defining legislation. "The Sea Carriage of Goods Act" was a laudable attempt to protect Australian exporters from the somewhat arbitrary conditions in which Bills of Lading were commonly framed in the interest of the shipowner. It was an effort to remedy, by a short Act of Parliament, a grievance against which Chambers of Commerce had been protesting for many years. Although for a time it tended to check the fruit export trade, it eventually brought about more satisfactory conditions.

The "Defence Act 1904," though described by the Minister introducing it as "purely an enabling measure," and by Sir John Forrest, the sponsor of the earlier Act, as "quite unnecessary," for all its apparent harmlessness did not get through without much warm debate. It really was what the Minister of Defence described it, and it laid down no general principles for a national scheme, such as Mr. Deakin propounded some three years later. The disciplinary administration of Major-General Sir Edw. Hutton, hitherto in supreme control, had been the cause of some friction, which had induced Senator Col. J. C. Neild, and other volunteer soldiers, to champion in Parliament the cause of the men against the Commanding Officer. There was a great deal of unpleasant discussion about the right claimed for a Member, under Parliamentary privilege, to attack his officer, to whom in the

ranks he would owe obedience, while continuing to wear the uniform. Select Committees were appointed to enquire into some of the grievances, and the new Defence Act aimed at giving Parliament a more direct voice in military affairs. The General Officer-Commanding was supplanted by an "Inspector-General," whose responsibilities would be shared by a Council of Defence, comprising the Minister, the Treasurer, the Director of the Naval Forces, and the Chief of General Staff. It is needless to dilate upon this subject here, for, with all the prolonged discussion it raised in Parliament, it was only a tentative measure, and Defence was destined to occupy a very important place in the Parliamentary chronicles of the years 1908-9.

The "Seat of Government Act" reopened the question that had been so pertinaciously fought in the first Parliament, and had been left unsettled at the prorogation. As the matter stood, Tumut had been chosen by the House of Representatives, and Bombala by the Senate. In the Bill introduced by Mr. Watson, three large areas of country in the south, south-east, and western districts were offered for selection. Each area contained one or more of the previously-nominated towns, and the ballot resulted in favour of the south-eastern district, which included the towns of Bombala and Dalgety. This offered an opportunity for compromise, and, as neither House could carry its favorite town, both agreed, after three months of negotiation, to accept Dalgety as the future Federal Capital. As far as the Legislature could endow that salubrious mountain resort with the dignity pertaining to the chosen home of Commonwealth law-making, it enjoyed it for three years without any signs of ostentation. Then the Act which created it was practically torn up, and a fresh agitation arose for something supposed to be better.

Apart from the five Acts which reached completion, there were ten other Bills submitted. Some of them were very fully debated, notably those dealing with Trade Marks, the Kalgoorlie Railway Survey, the control of Papua, the Manufacturers' Encouragement Bill, and the Navigation and Shipping Bill.

In order to placate Sir William Lyne, and to prevent his blocking the Arbitration Bill by his desire to bring British and foreign sailors within its control, the Prime Minister caused a Navigation and Shipping Bill to be introduced in the Senate on the 13th of April. It was mainly based on the British "Merchants' Shipping Act 1894," with a few stringencies woven in from later legislation in New South Wales and New Zealand. Senator Drake's introductory speech was, from the literary standpoint, an admirable survey of the lot of the sailor from the days of the Crusades onwards. His deductions were based on the most worthy promptings of a tender consideration for the hardy mariners which would rather have astonished the fore-castle. It is true that he somewhat idealised the British sailor, and seemed to forget that the "old salt" of song and story no longer exists. He has been replaced by a race of men who sweat laborious days in iron tanks, and are not required to know anything of seamanship. Possibly, therefore, they deserve more consideration than the rollicking crew they have displaced; and assuredly this Bill was intended to give it them in work, wages, diet, and accommodation. But it went far beyond the humanitarian aspect. It proposed to give the Minister autocratic power to manage the whole shipping business of the country, down to minute details, and to exercise that power over all British ships trading on the coast. Senator Sir Josiah Symon led the opposition to it, and pointed out the many places in which it was in conflict with Imperial law, that it aimed at doing things which the British Parliament had not ventured to attempt, and, further, that it dealt with matters not properly coming within the scope of such an Act. Under discussion it wilted away, and was quietly dropped.

In view of the large amount of business set down for their consideration, it might have been supposed that Members would have hesitated to plunge into resultless discussions which were not in the programme. But the session was fruitful in side issues. One of the earliest that engaged both Houses for a considerable time was the resolution of indignant protest against the importation of Chinese labor into the Transvaal.

Looking back, in the light of subsequent history, it is impossible to read some of this perfervid oratory expended in denouncing Lord Milner, his Imperial employers, and all their works, without a smile. The environment of most of the speakers had so infected them with antipathy to the Chinese, that they failed to see that the cry they were so hotly taking up was only an astute electioneering move of the Opposition against the Conservative Ministry in the House of Commons. The hollowness of the whole business was proved by the fact that when the agitation had served its purpose in helping to overthrow the Balfour Ministry, it was apologetically dropped by the Liberals, who, on accession to office, found themselves confronted with difficulties in the Transvaal, the settlement of which could not be facilitated by protests from outsiders.

Again, on the 28th October, a resolution was carried unanimously in the House of Representatives on the motion of Mr. G. H. Reid, then Prime Minister, expressing profound indignation at the "cruel and wanton attack recently made by a Russian fleet upon British fishermen while they were engaged in their peaceful calling." Although, possibly, the adjectives used seemed to prejudge the case, it was an incident calculated to very deeply stir the feelings, and it was certainly wiser to pass such a resolution without discussion. But the Senate could not be restrained from a not unreasonable endeavour to reduce the resolution to an expression of deep sorrow for the incident, and sympathy with the survivors. Indeed, it proposed to use the non-committal form of the message cabled to the British Government by Mr. Seddon, the Premier of New Zealand. The effect of this well-intentioned amendment, which was rejected, was to let loose a flood of flippant talk such as could not have been used by any representative body not under the protection of the British flag. The debate was protracted over two sittings, and gave rise to some remarkable expression of international feeling. Not the least significant was the fervid hope expressed by one Senator that the Russians and Japanese would each exterminate the other. But perhaps the most astounding conception of the potency of Australia

occurred later in the House of Representatives, when Mr. King O'Malley, being displeased with what he called "the diabolical conduct of Russia," demanded to know if the Prime Minister would "insist on Great Britain fighting." Mr. Reid, with mild humor, replied: "Under the circumstances, I must abstain from putting extreme pressure upon the Government of Great Britain."

Another excursion into the region of alien politics was a lengthy address to His Majesty the King, submitted by Mr. Ronald, the only clerical Member of the House. It professed to set forth the opinion of Australia on the desirability of Home Rule for Ireland; and calmly ignoring His Majesty's Ministers, went direct to the fountain head to urge its prompt establishment. But the close of the session left his speech unfinished, notwithstanding his frequent appeals to the House to be given a chance of continuing.

Other topics not in the brief, which took up much time, arose out of complaints that the Immigration Restriction Act was not being administered with sufficient stringency. Exaggerated stories were told of the great influx of Italians in the mines of Western Australia and the sugar fields of Queensland. Deferential Prime Ministers always promised enquiry, but when official returns came from the States implicated, the figures were frequently repudiated as a means of firing off more philippics against the iniquity of foreign labor.

Suggestions were often made, and discussed at length, which involved alterations of the Constitution, and an appeal to the people. One such effort was made by Mr. Mauger, a Victorian Member, to vest in the Commonwealth the uniform legal control of all industrial occupations. The animated debate which followed showed clearly that Members were very willing to relieve the States of the difficulty of controlling their own workers, but rapid Ministerial changes diverted attention for the time, and the proposal fell out of view.

Senator De Largie proposed the establishment of iron works, to be owned by the Federal Government, and within

Federal territory, for the purpose of manufacturing pig iron and steel from native ore. He was not without visions of providing for all railway requirements in the future, and even the ordnance which the Defence Department would eventually require. It was pointed out in the debate that the Constitution did not provide for entering into manufacturing industries; further, that the matter had already been ventilated in the Manufacturers' Encouragement Bill, and had evoked disclaimers by the States; again, that the Federal Territory, as at present contemplated, presented a singularly unsuitable site for such an experiment. Yet, after two days' discussion, the proposal was pressed to a division, and carried by a majority of four. In his arguments, Senator De Largie propounded the somewhat unfederal proposition that if this industry was established in works owned by a State Government, it would not command the same confidence as if under Federal control! His theory was that works owned by a State would place every other Government in Australia at the mercy of that State, which could charge what it liked for its product.

Another advocate for the business side of the Federal Government was Senator Pearce, who, on the 17th March, moved a series of resolutions affirming the desirability of the Government taking up the manufacture and sale of tobacco, cigars, and cigarettes. He repudiated the plea of the Attorney-General that there was no legal authority for such a step, and invented a novel reading of the 51st clause of the Constitution. There was at present, he said, a monopoly in the tobacco industry, which was a disturbing factor, and a hindrance to trade; therefore, "for the purpose of securing the peace, order, and good government of the Commonwealth," it had the power to take over the industry. By very elaborate calculations he showed that if the Government bought out all the factories, and carried on the business, it would make a clear profit of £628,000 a year, which it was suggested should be "earmarked" towards the payment of old-age pensions, then estimated to cost about £1,200,000. Two months later the Senate carried the resolutions by a majority of eight, and

appointed a Select Committee of six Members to confer with the House of Representatives, and bring up a report as to the best method of carrying them into effect. When they reached that Chamber, strong opposition was manifested by the Ministry, on the ground that the Constitution did not justify the proposed experiment, although, curiously enough, the very guarded opinion given by Mr. Deakin on the subject in the previous year was quoted as equally favoring either side in the dispute. The debate dragged on at intervals for nearly nine months from the date of its introduction, and it was not until the middle of December that it received its quietus in the Senate by the then Attorney-General declining to promise any time for its further consideration.

It must be mentioned to the credit of Mr. M'Williams, representing a Tasmanian constituency, that he made an effort to restrain the flow of talk by moving, on the 24th November, the following resolution:—"That, in the opinion of this House, in order to facilitate the Parliamentary business of the Commonwealth, provision should be made to secure, whilst preserving proper freedom of debate, the discussions of the House being confined within more reasonable limits." The mover had the courage of his opinions, and denounced the manner in which discussions were prolonged after all arguments had been exhausted. He pointed out that if the practice continued of extending the Parliamentary session over nine or ten months of the year, Members could only be recruited from two classes—either the wealthy, whose time was entirely at their disposal, or those who were content to regard their Parliamentary salary of £400 a year as bounding their outlook and commanding all their time. It was impossible for men engaged in commercial or professional work to retain their seats and give any reasonable attention to their own affairs. And the sacrifice was not called for in the interests of the country, because double the amount of business accomplished could be transacted in half the time devoted to resultless and often quite irrelevant talk. Mr. M'Williams made the debate very interesting by reviewing the practice of other Legislatures in Europe and America.

There was much opposition to any fixed limitations; but many of the speakers admitted the soft impeachment by citing glaring cases of wasted time, mainly in order to show that they had no complicity in it. But the debate was adjourned, and no further action resulted.

When to this torrent of talk on subjects outside the task set for them is added the debate on the "Address in Reply," which excluded all other business for the first fortnight of the session, the poverty of the result is easily realised. No less than 55 Representatives, including 15 out of the 17 new Members, addressed themselves to denouncing or extenuating the Governor-General's Speech. The fault-finding largely predominated, but the Address was accepted without a division. "Willing to wound, and yet afraid to strike," the Opposition bided their time; but their stinging sarcasms made the Treasury benches anything but a bed of roses. And no doubt it was to that party strife, its attendant disorganisation and lack of control, that the barrenness of the session was due, quite as much as to the growing habit of talking at large about legislative experiments. The story of the Commonwealth Ministerial struggles of 1904 may possibly have some educational value; but at best it is a sorry picture.

It has already been shown that when Mr. Deakin, as Leader of the reconstructed Barton Cabinet, met the new Parliament, the position was not an encouraging one. He had said at a public meeting during the recess that the problem of conducting a Parliament which had three practically equal parties taking part in the proceedings was one that had not yet been solved in any part of the world. He had declared that it could not continue, and it ought not to continue. But while a large section of both Press and public called for a coalition of two against the one, Mr. Deakin could not make up his mind as to which he could invite to a partnership. His rooted ideas on Protection would have to be modified before he could ask the support of Mr. Reid and the direct Opposition. His desire to please Mr. Chamberlain in the matter of preferential trade would probably have to be abandoned. For

these things the Labor Party cared little, and many of his supporters were strongly in sympathy with that party, to whose support they owed so much in the previous session. To ensure a continuance of that support, Mr. Deakin promptly launched the Navigation Bill in the Senate, and the Conciliation and Arbitration Bill in the other Chamber.

Before the "Address in Reply" was disposed of, he had to listen to comments and criticisms that must have assured him there was little chance of doing serviceable business. Although his speech on reviving the Arbitration Bill was admirable in tone, temper, and lucidity, there was evidence of a lurking anticipation that the Labor Party would round upon him on the class question of the inclusion of State employés. For all his repeated declarations that State servants could not come under an Act that was limited to disputes "extending beyond the limits of any one State," for the simple reason that there were no employés of any particular State, except those within its own boundaries, the Labor Party would have none of these fine definitions. They kept up a steady pressure for the inclusion of all civil servants. They won over more than a dozen supporters from the Opposition and Ministerial ranks, and on the 21st April carried a hostile amendment in Committee by a majority of nine in a fairly full House. Mr. Deakin adopted the not unexpected course of resigning, though the second reading of the Bill having been affirmed, he was not compelled to treat the amendment of a clause in Committee as a vote of want of confidence. Some of those who had voted with the majority declared against his putting that construction on it. But he felt very strongly on the point at issue; he was irrevocably committed to the view he advocated, and he was, no doubt, hopeless of attaining finality in a Chamber so strangely divided. So the curtain was rung down on the first Deakin administration before it had time to father any legislation in the new Parliament.

When the House met again, after a week's adjournment, Mr. J. C. Watson announced that the Governor-General had

entrusted him with the task of forming a Ministry. The names submitted to and approved by His Excellency were:—

Mr. John Christian Watson, Prime Minister and Treasurer.

Mr. William Morris Hughes, Minister for External Affairs.

Mr. Henry Bourne Higgins, Attorney-General.

Mr. Egerton Lee Batchelor, Minister for Home Affairs.

Mr. Andrew Fisher, Minister for Trade and Customs.

Mr. Anderson Dawson, Minister for Defence.

Mr. Hugh Mahon, Postmaster-General.

Mr. Gregor M'Gregor, Vice-President Executive Council.

The reception accorded to the new team was encouraging. Mr. Deakin, who announced his own election as Leader of the Opposition, promised them every consideration and the utmost fair play. Mr. Reid warningly pointed out to them the stupendous task they had undertaken in proposing that 26 men should have their way in a House of 75—a position which was generally denounced as unconstitutional.

The Watson Ministry was granted a three weeks' recess to prepare its policy, and it lived for nearly four months. It has a twofold claim to history. It was the first Ministry formed by, and in the interests of, Labor that had ever captured supreme power in Parliamentary Government under the British flag by legitimate Constitutional means. It was an object lesson to every champion of social equality, that the cause no longer needed the old-time method of bloody revolution. Further, it was the first time in the traditions of Parliament when a Minister calmly accepted the responsibility of forming a Government with a hopeless minority of followers, and with scant promise of aid from the dominant majority. What manner of men were they who attempted this forlorn-hope task?

Mr. Watson was a young man—only 36—when he answered the call. He had been a printer, working in the office of a daily paper in Sydney, and was a member of the New South Wales Parliament some six years before Federation. There he devoted himself to the various propaganda of the Labor Party with so much goodwill that he was elected to the first

Federal Parliament as the recognised leader of that interest. He was a most industrious worker in the cause, full of tact, and with a pleasing, conciliatory manner in debate, that was in marked contrast with the aggressiveness of some of his colleagues. Whatever his inner convictions may have been, he was restrained by a streak of common-sense from advocating the principles of a revolutionary Socialism, for which various Labor platforms were loudly contending. It stands to his credit that, during his short tenure of office, he was instrumental in bringing about a better understanding with the Japanese Government, in respect to some of the invidious clauses of the Immigration Restriction Act. The one great blunder of his Ministry was a wild excursion into the uncharted regions of High Finance—a subject with which he did not appear to have even a bowing acquaintance. He proposed to compel the banks to transfer 40 per cent. of their coin holdings—approximately £8,000,000 sterling—to the Treasury vaults, in exchange for Commonwealth non-interest-bearing bonds, which seizure he thought “could be devoted to the Federal capital and other national undertakings.” In this he was supported by the Socialist papers, with many joyful congratulations on “getting at capital.” The note of alarm which the bare suggestion roused was allayed on the prompt condemnation of the idea by everyone who had anything to lose. It was felt that so revolutionary an act, involving serious commercial panic and disaster, could not possibly be passed by a sane deliberative assembly; and though some English journals penned admonitory articles about it, the feeling locally was rather to smile at the ingenuous ignorance of the proposer than to believe him capable of favoring the active dishonesty to which the proposal pointed.

Mr. William Morris Hughes (External Affairs) was a man of different mould. A Welshman by birth, 40 years of age, and resident in Sydney for twenty years, he had been engaged there in various trades—amongst others, in the production of a Labor paper, the “Daily Post,” which was a disastrous failure for all concerned. In 1894 he was returned for a seat in the

New South Wales Legislative Assembly, which he retained until his transfer, in 1901, to the Federal Parliament as Member for West Sydney. During his career in the State Parliament he studied for the Bar, and was duly called. As secretary of the Sydney Wharf Laborers' Association, he was devoted to their cause, and could see justice only through their eyes. Many stormy passages in his career were due to that fact. A good debater, with a ready flow of language, his speeches were often disfigured by fierce invective, or sneering depreciation of opponents, and he was an incorrigible interjector. He showed a fanatical dislike to any foreign workers being allowed to intrude on Australia's domain, and he had the unpatriotic habit of speaking in terms of disparagement of his native land.

Mr. Egerton Lee Batchelor (Home Affairs) was an Australian, born in Adelaide in 1865. By trade a working engineer, he rose high in the Labor associations connected with that trade, and was returned to the South Australian Parliament, where he sat for seven years until translated to the Federal Parliament in 1901. He was not a frequent speaker, and was generally brief and to the point; but he enjoyed a distinction which no other Member of the Cabinet possessed—he had been in Ministerial office in the State Parliament for over a year.

Mr. Andrew Fisher (Trade and Customs), by birth a Scotchman, and by calling a miner, had resided in Queensland for some twenty years, and served in the local Parliament for six of them. He was Mr. Watson's under-study in the Federal Parliament, in which he had sat since 1901. He called himself a Socialist, and though outspoken enough on that subject at caucus meetings and on party platforms, he was wise enough not to dilate upon the "objective" of that cult in Parliament. He was not fluent as a speaker, but very tenacious of his views in the Labor interest, and so devoted to his party that an important and very anxious future was in store for him.

Mr. H. B. Higgins (Attorney-General), the only Member of the Cabinet who was not a manual worker, was an Irishman,

endowed with a full share of the sympathetic impetuosity of his race. He was under twenty when he arrived in Australia, passed through a brilliant career at the Melbourne University, was called to the Victorian Bar in 1876, and soon became recognised as one of its leaders. He had sat in the Victorian Legislative Assembly for six years, and was elected to the first Federal Parliament. It is doubtful if there was any other lawyer in the House who would have taken the position, in view of the prospects; but Mr. Higgins had ever shown a great faculty for being in the minority, and a great capacity for making a good fight for it. The Conciliation and Arbitration Bill, which he was destined eventually to interpret from the High Court Bench, gave ample scope for that faculty.

Mr. Hugh Mahon (Postmaster-General), also an Irishman, was a printer by trade, who had seen life in the United States, Canada, and on the goldfields of Western Australia. He had even enjoyed the distinction of sharing Parnell's imprisonment in Kilmainham Gaol, in connection with one of those periodical eruptions that overtake journalistic efforts in Ireland. He was a Freetrader, or rather a Revenue Tariffist, and had been known, when in office, to give England a preference over America in ordering some stores. So he was a comparatively mild type of his class.

With this staff, Mr. Watson, after a three weeks' recess, faced the House on the 18th of May, with a plea for existence. He promised to revive the Conciliation and Arbitration Bill, and to bring under its provisions the State railway servants, and all other persons engaged in industrial enterprises carried on by State Governments. He would abolish the board of permanent assessors, and leave control to a single Judge of the High Court. He would endeavor to secure an immediate selection of the Federal Capital Site, and so dissipate the inter-provincial jealousy which, he said, was retarding the passing of necessary legislation. He considered the appointment of a High Commissioner in London was very urgent, and he dilated upon the saving it would be to the States by enabling them to abolish

their respective Agents-General. He would take the development of Papua in hand, although he had always been opposed to the assumption of that responsibility by the Commonwealth. He was rather nonplussed by interjections about black labor, but he was emphatic in declaring that no land should be sold in that Possession. A Trade Marks Bill, and an amendment of the Electoral Act, were also promised. For the rest—well, there would be plenty of time next session.

Sir Wm. Lyne demanded to know what was going to be done about the Navigation Bill. It was to be relegated to a Royal Commission, and, with the Interstate Commission, Old Age Pensions, Defence Proposals, and the Tobacco Monopoly, could well stand over for the present.

It had been supposed by many people that when a Labor Ministry was really formed it would promptly succumb to inexperience and incapacity; but all such ungenerous prophecies seemed likely to be falsified, for during three months of nagging debate, Mr. Watson stood manfully to his colors, and fought doggedly for his party's cause. The official organ of that party, "The Worker," had, indeed, warned him that he would earn public contempt if he did not resign rather than falter in his attempt to place upon the Statute Book the well-defined principles of the Labor Party. And one of the most necessary was the nationalisation of monopolies at least, if not of all sources of production and distribution.

It is difficult to say whether the Ministry suffered most from the polished invective of Mr. Deakin, the cutting sarcasm with which Mr. Reid dwelt on the tyranny of the outside influences which dominated them, or the sledge-hammer denunciations with which Mr. Bruce Smith assailed alike their aims and their methods. But "the thunder of the captains and the shouting" did not bring a surrender of the citadel. Concerted action was wanted, and concert was the most difficult thing to attain. Mr. Reid was willing to join his one-time opponent in order to get rid of the Labor domination; but Mr. Deakin, while declaring that the party in power was "destroying the life of the tree of

Constitutional liberty," was shy of appearing to turn his back on his whole political career by coalescing with the party that had so long denounced him.

But the public were impatient, the Opposition irritable; and when action could no longer be deferred, Mr. Deakin elected to stand aside, and, with a friendly countenance, to let those who would, coalesce. On the 12th August the blow fell. The disastrous Arbitration Bill was the means to that end. An amendment limiting the unrestricted preference to unionists to those who could prove to the Court that they really represented the industry concerned, was carried in a full House by a majority of two. Mr. Watson, on the strength of the smallness of the majority, asked for a dissolution, which Lord Northcote refused, whereupon he resigned.

On the 18th August Mr. Reid announced that he had been commissioned to form a Ministry, and had done so. He did not mention the fact that it was the third to take charge of the affairs of the Commonwealth in the short space of five months.

The names of his colleagues were received with decorous respect, not unmingled with wonder. They were:

Mr. Allan M'Lean, Trade and Customs.

Sir Josiah H. Symon, Attorney-General.

Sir George Turner, Treasurer.

Mr. Dugald Thomson, Home Affairs.

Mr. James Whiteside M'Cay, Defence.

Mr. Sydney Smith, Postmaster-General.

Mr. James George Drake, Executive Vice-President.

The Prime Minister took charge himself of the Department of External Affairs. As some sort of an assurance that the fiscal policy of the country was not to be interfered with, there were four Protectionists and four Freetraders in the composite Cabinet.

Mr. George Houston Reid, who, but for his untimely defeat in the New South Wales Parliament by Mr. Lyne, would undoubtedly have been the first Prime Minister of the Commonwealth, had at last attained that dignity; indeed, but for his

over-astute manœuvring, he would have secured it on the occasion when Mr. Watson received the call. Yet, after all, he had hardly attained to the full independence of the position, for it was a condition of the amalgamated support that he should share the honors of leadership with a staunch Protectionist in the person of Mr. Allan M'Lean. The new Prime Minister was, indeed, a notable figure for more than a score of years in Australian politics, probably more widely known, and more frequently lampooned, than any other. He was the leader of the Bar in New South Wales—a most effective speaker, occasionally breaking into oratorical excellence. In Parliamentary debate he has rarely been equalled. Quick, incisive, and good-tempered, he was never ruffled by hostile interjections, which were generally replied to with admirable effect. Often apparently wanting in definiteness of purpose, he was always ready with explanations which disarmed criticism. So it came about that while his opponents in Parliament hated his politics, they could not extend their hatred to the man, and his personal popularity outside was unique.

Unlike the last Government, his Cabinet was a very strong one, in experience at least. Five of his colleagues were men who had held Ministerial office in State Parliaments. In Mr. M'Lean he had a seasoned ex-Premier of Victoria, with plenty of Scotch caution and a distaste for legislative experiments. In Sir George Turner he had a Treasurer whose whole being was wrapped up between the covers of the national ledger. And in Sir Josiah Symon he had an adviser who would keep him within the legal requirements of the Constitution, and help, as far as possible, to keep the unruly Senate in order. But even this array of ability was not to prevail against the machinations of party, for a section of Mr. Deakin's followers hived off, and started a Liberal Protection Party on their own account, with angry feelings towards the apostle of Freetrade and his covenant of a fiscal truce.

After the announcement of the Ministry on the 18th August, the House adjourned till the 7th of September, when Mr. Reid

declared his policy. Admittedly it had nothing deserving the name, unless, indeed, it was his disinclination for Preferential Trade, as to which he would say nothing until he heard what the British Government offered. He proposed to go on with most of the measures before the House from the point where the late Government dropped them. On the great crux of the Conciliation and Arbitration Bill he was obscure but accommodating. The Manufacturers' Encouragement Bill was to be an open question in the Cabinet. The High Commissioner Bill was to be deferred until he had an opportunity of discussing the matter with the States. Then the storm broke.

For a whole month, to the exclusion of all other business, charges and recrimination made the atmosphere electrical. The first week was occupied in a "debate" on the Ministerial statement. Into this was dragged all kinds of irrelevant matter. The caucus control of the Labor Party, the White Australia question, Land Taxation, Sweating, Unionism, Socialism, were talked about in the most excited manner, amidst an incessant crossfire of interjections and comments. When this had exhausted itself, without any result, Mr. Watson moved on 20th September: "That the present Administration does not possess the confidence of this House."

It would be quite useless, and decidedly unkind, to disinter the speeches on that occasion, which are embalmed, to the extent of nearly 2000 columns, in "Hansard." Mr. Watson had secured the support of the disaffected members of the Deakin Party, who were led by Sir William Lyne and Mr. Isaacs. For some reason—possibly rooted in disappointed ambition—they were even more bitter in the expression of their hostility to Mr. Reid than the Members of the displaced Labor Government. They had to listen to a very long, a very able, and very temperate speech, in which Mr. Deakin reviewed the political workings from the time that he was cast out of office. It was the one useful utterance in those weeks of strife—almost the only one that was not chiefly compact of blame and denunciation. More in sorrow than in anger he pointed out

how his all-Protectionist Ministry had been overthrown by an all-Labor Ministry, supported by a segment of the Revenue Tariff Party; how that Ministry in turn had been thrown out by the all-Revenue Tariff Party, plus a section of the Protectionist Party; and now, even the product of this latest coalition was faced by an alliance which, with seeming eagerness to turn it out, had not been able to challenge any one definite line of its announced policy. They had been seeking the means of peace by a fusion, and they were rewarded with confusion.

But talking was of little avail. It was time for counting heads. The 25 Labor Members were, of course, solid, and could be relied upon to be on hand. They had secured the Lyne-Isaacs Party of ten, and if they could win a couple more they would be able to avenge Mr. Watson's untimely downfall. The quest became so close that at last it looked as if one man was going to be the sole arbiter of the Government's fate. A Mr. Cameron, representing a Tasmanian electorate, who had hitherto been a negligible figure in the House, suddenly became, by reason of his aggravating reticence, one of the most closely cultivated. He refrained from committing himself to any promise until he rose to speak, and so impartially did he denounce the Opposition and the Government, that both sides, in their anxiety about the final statement, submitted to insulting comment which they would otherwise have hotly resented. His final decision to support the Government broke the spell, and let loose a fresh Babel of tongues. On a division the motion was rejected by a majority of two, the Government receiving 37 votes, and the Opposition 35. With one pair arranged for, and the Speaker, the full strength of the House was accounted for, and one of its most acrimonious debates brought to an end on the 13th October.

The remaining two months of the session were occupied by a series of scuffles over the necessary Supply Bills, and some matters that failed to reach finality. In regard to these, on the last days of the session Mr. Reid moved that the proceedings in respect of any Bills which had been interrupted by the

prorogation might, by resolution of the House, be resumed in the next session at the stage to which they had been advanced. The motion was accepted, though not without considerable opposition. The Conciliation and Arbitration Bill dragged on between the two Chambers until the 9th December, when it practically drifted into law, as to the application and effect of which, very few people had any clear conception. The short Act relating to Bills of Lading was passed, and the appointment of a Tariff Commission approved. Then the preliminaries of a longed-for recess hove in sight. On the 15th December Lord Northcote, the Governor-General, delivered the usual valedictory address. It was manifestly the draft of a new hand, and couched in far less flattering terms than Members had been wont to listen to. There was not much to congratulate upon, but there was a flavor of admonition in two paragraphs:

The extreme length of the session, and the small number of measures passed, are both, no doubt, largely owing to the changes of Ministry which have taken place. . . . You will be pleased to learn that a conference is to take place in Hobart, in February next, between the Government of the Commonwealth and the Governments of the several States. Friendly co-operation between the State and Federal Governments in matters of mutual concern is of vital importance to the Australian people. I trust that the conference will bring about a wise and amicable settlement of existing differences, and furnish a solution for some at least of the difficulties which prevent the Commonwealth from reaping in full measure the promised benefits of Federation.

Truly a good text for meditation during recess.

CHAPTER VII

THE SESSION OF 1905

THE recess into which Mr. G. H. Reid had safely conducted his Cabinet was not the period of repose to which he had looked forward. During the first six months of 1905 the community managed to get on without Parliamentary illumination. Business generally was sound and satisfactory. Nature had been kind to the toilers who call our produce into being. Wheat and butter were booming, and the envied pastoralist was drawing some £3,000,000 more for his clip than in the preceding year.

But political "peace, progress, and prosperity" was subject to more insidious attacks than the humdrum routine of material success. Mr. Reid found the Press organs of the Labor Party snarling and snapping at every step he took. The Parliamentary leaders of that party were loud in proclaiming the condign punishment they had in store for him whenever he dared to meet them under the Speaker's eye. The disaffected of the Deakin following raised a wailing cry that Protection was in danger, and harped monotonously on the impending collapse of languishing industries, perishing for want of a little more support through the Custom House. Rumors found circulation that Mr. Deakin was beginning to recant his denunciations of the Labor Party, spoken with such vigor a year ago, and to be coquetting with Mr. Watson for a *coup d'état*. Mr. Reid might well hesitate to give credence to such reports, for had he not heard Mr. Deakin, quite recently, solemnly adjure the community to take some decisive steps to preserve Australia from the "aims and interests of the Labor Party, which tend to subordinate the public welfare to their own." It was impossible to believe that he could be secretly plotting against a

Ministry he had so materially helped to call into being, and which contained such personal friends and trusted political colleagues as Sir George Turner and Mr. Allan M'Lean. Nevertheless, Mr. Reid must have wished that he had persisted in his original idea to have ensured Mr. Deakin's support by including him in the Cabinet, for he was soon to learn that things were not what they seemed.

Mr. Reid has often been charged with doing nothing during his long recess of six months. It would be fairer to say that he did a great deal, which came to nothing. He visited the various States, and on many platforms delighted large audiences with his humorously vigorous philippics, which rarely embodied any constructive suggestions. He propounded an "Australian Liberal League," the prominent features of which were vaguely outlined as Liberty, Loyalty, Progress, and Enterprise! He called "Anti-Socialism" into existence, as a banner under which he assumed that all but the Labor Party would be willing to rally; but he offered no definite proposals for combating the tendency towards Socialistic and class legislation. Even his intrepid lieutenant, Mr. Bruce Smith, was moved to avow his open dissent from his leader's want of definite policy in dealing with the many bogies which he exhibited for verbal condemnation.

The Tariff Commission had started on its prolonged enquiry. Its composition of four Freetraders and four Protectionists, with Sir John Quick as Chairman, gave the latter cult the benefit of a casting vote. Its proceedings, which, to some extent, were necessarily public, evoked such torrents of admonition and advice, that reading the daily papers became a weariness of the flesh. At an early stage there was evidence of the hopelessness of securing anything approaching the unanimity necessary for practical results. The nominal object of the Commission, "to take evidence to ascertain anomalies in the incidence of Protective duties," became quite a subsidiary matter. The whole question was reopened, despite Mr. Reid's agreement for a fiscal truce; and as there is something in the

atmosphere of Protection that precludes its discussion on rational lines, there was soon established a centre of personal bitterness and recrimination that saw evil in every step of its opponents. Though the Labor papers, keenly attentive to the interests of their party, gave but little space to the fiscal question, one of the Melbourne journals, devoted to the interests of the manufacturers, filled its columns day after day with abuse and misrepresentation of Mr. Reid, and all his following, in a manner hitherto unknown in sober journalism.

Some light was thrown upon this attitude afterwards by the publication in Mr. Pratt's "Life of David Syme" (1908) by the following statement:—

Anxious to remain in office, Mr. Reid decided to make terms with the "Age." He therefore made a proposal in writing to Syme for the appointment of a Royal Commission of five citizens, who should not be members of Parliament, but competent business men, and whose duty it should be to inquire into the working of the Tariff and its effect on Australian industries. Mr. Reid verbally pledged himself to allow Syme to nominate a Protectionist Chairman and other members to the proposed Commission, and to veto a certain number of names suggested by Mr. Reid or his colleagues. . . . Mr. Reid, notwithstanding his promise, did not wait until the end of the session, but during one of Syme's temporary absences from Melbourne appointed a Commission while Parliament was still sitting, and without submitting the names of its members for Syme's approval.

No evidence was submitted of this very undignified contract, and it was not made public till after Mr. Syme's death.

Meanwhile, there were calls upon the Prime Minister which he could not ignore. One of those periodical conferences of Premiers was held in Hobart in February, 1905, and there he was bidden to discuss with the six State Premiers problems connected with the Federalising of State Debts, the invention of something to take the place of the "Braddon Blot," provision for uniformity in electoral matters, and other questions which had been discussed before, and were destined to be discussed many times again. The solemn deliberations took place behind closed doors; but there were many intervals of feasting and merriment, at which the post-prandial utterances were dis-

creetly complimentary and non-committal. As a conference, it cannot be credited with any permanent results, and another five years was required before the "Braddon Blot" could be finally erased.

The feverish haste to be doing something, which often characterises young communities, chafing under the delays which breed experience, suddenly obsessed both Press and public. It was declared that Mr. Reid was only using Anti-Socialism as a stalking-horse to disguise his antagonism to reform—to his unwillingness to introduce measures promised by every Ministry since the days of Barton. As the time drew near for meeting Parliament, the Prime Minister's outlook was not encouraging. His persistent blending of the aims of Labor and Socialism as identical, had angered the former party, and Mr. Reid saw their solid phalanx in the House glaring upon him from the Opposition benches. The Lyne-Isaacs-Higgins contingent was busy, too, making proselytes among their former colleagues. That poor little majority of one, that sustained him in the last session, had doubtless disappeared. The only question worth considering was how far the pendulum had swung in the opposite direction.

What Mr. Reid really thought will probably never be known. What he told us he thought does not appear unreasonable. In effect, what he said was this:—I had every confidence in Mr. Deakin. He had arranged with me the ground upon which we were to overthrow the late Labor Ministry. He had declared the absolute impossibility of allowing the country to be ruled by a party that, by reason of its mechanism, had "become dangerous to the community." To help me to do this he had withdrawn his opposition to the contentious clauses of the Arbitration Bill. He had agreed to a fiscal truce during this Parliament; and though he would not come into the Cabinet, he had persuaded some of his most highly-valued colleagues to join me. Relying upon the maintenance of that good feeling, and promised support, I intended to meet the House with carefully-considered proposals of legis-

lation, the substance of which was even then before my Cabinet. Only three days before his unexpected denunciation of me at Ballaarat, our relations were most friendly, and apparently cordial. But the Ballaarat speech showed unmistakably that my visions of frank and loyal support had resolved themselves into declarations of war. Even the headings of the daily papers described the address as a "Notice to Quit." The numbers were up, and I did not feel called upon to disclose our whole policy to a House that, with Mr. Deakin and his followers transferred to the Opposition, would certainly give it short shrift. Of the twenty paragraphs in the prepared Governor's Speech, I put forward one to ensure a division, and I hoped that on its rejection I might be granted a dissolution to test the opinion of the country as to who had broken the compact. To make the result of such dissolution as serviceable as possible, I thought an Electoral Amending Bill, or a Redistribution of Seats Bill, would be a good card to play.

The opening of Parliament on the 25th June put these thoughts, if they really existed, to the test. The Governor-General read his modest message, intimating that his advisers intended submitting to Parliament, without delay, certain proposals for the readjustment of electoral divisions in four of the States, and before Members could grasp the meaning, he was gone. The mover and seconder of the "Address in Reply" made no secret of the intention to force a dissolution. They justified the necessity for an appeal to the country on the ground that, owing to there being no party with a pronounced majority, an eighteen-months-old Parliament had nothing to show to justify its existence. But no arguments were wanted, or listened to. The discussion was on personal lines, and the only interest which it aroused in Members was a speculation as to whether the final blow was to be given by the direct Opposition, or from out the ranks of those whom a week since Mr. Reid had counted as loyal supporters. Was the message of dismissal to be toned down by Mr. Deakin's mellifluous phrases, until—in an atmosphere of vagueness—it looked almost apologetic;

or, was it to be conveyed by Mr. Watson in the forcibly lucid style to which the House was better accustomed? Each would have liked the other to undertake the business. Eventually they came to an understanding, and Mr. Watson was conceded the first shot.

On the 29th of June he opened fire. The greater part of his address was a vindication of the Labor Party from any intimate association with Socialism, and a vindication of Socialism, as he understood it, from the phantasm which Mr. Reid was attacking under that name. His speech had the usual haziness which envelopes all discussion on this specially elusive topic, but he was soon restored to coherence by shifting the ground of his attack to direct charges of incapacity and bad faith. His final words summed up his views with commendable brevity: "I think we shall all welcome the disappearance of a Ministry that has neither achievement in the past, policy in the present, nor prospects in the future, to justify its existence."

Mr. Reid was doubtless surprised that these last words did not take the form of a want of confidence motion; but the dismissal document was in Mr. Deakin's pocket, awaiting the most effective moment for its dramatic presentation. Even hardened old politicians were deceived as to the attitude of the latter when he rose to speak. In Mr. Deakin's long political career he has had failures which men have seen to be due to indecision, to expediency, or to a want of vigorous conviction; but charges of deliberate insincerity, though often made by his Press critics, are certainly not justified. On this occasion he came very near to earning the epithet of a false friend, which was flung at him pretty freely by one section of the Press, though probably not quite to the same extent as the other section labelled Mr. Reid as a synonym for treachery.

Mr. Deakin's address, partly owing to the depressing effects of recent illness, and partly owing to the difficulty of harmonising what he was saying with what he was going to do, was less effective than usual. Some of his declarations seemed

strangely inconsistent with his acts. He defended his agreement to support Mr. Reid as a mere temporary matter dissolvable at will. He had remonstrated with Mr. Reid on his Anti-Socialist campaign as wanting in definiteness. He had never persuaded his Protectionist colleagues to join Mr. Reid, though on this point he was emphatically contradicted by at least one of them, Sir George Turner. He had been overwhelmed by appeals and letters from every part of Australia to insist on much more adequate support for Protection than it seemed likely to get from the Coalition Cabinet. Finally, he declared that his Ballaarat speech had been misunderstood by Press and public alike, and that it did not mean what everybody declared it to mean. It was not an attack upon the Government, only a plea for greater security for "the settled policy of the country," and a demand for prompter dealing with measures which had been long promised, and shamelessly neglected. So far from being hostile to the Government, he claimed to have shown his expectation that Parliament would proceed with its ordinary work, in which he implied that his best efforts would not be wanting. "If no accident had happened," he said, "there is no reason why the Government should not have led us through a productive and useful session. . . . They have chosen to do otherwise. . . . Under the circumstances, they force us to take action." The action materialised promptly into a formal amendment of the "Address in Reply" by the addition of the words, "But are of opinion that practical measures should be proceeded with."

It was enough. It was known to be final; but other Members wished to speak, and the debate had to be adjourned. On the next day the division was reached, when Messrs. Deakin and Watson found 42 supporters, and Mr. Reid could only muster 25. By a majority of seventeen Mr. Reid was swept out of office after a tenure of ten months, more than half of which had been enjoyed—if the term is allowable—in recess. The Governor-General could not be persuaded to grant to Mr. Reid the dissolution which he had so recently refused to Mr.

Watson. On the 5th July the Prime Minister informed the House that his resignation had been accepted, and two days later Mr. Deakin submitted the names of the new Cabinet:

Mr. Alfred Deakin, Prime Minister, and External Affairs.

Mr. Isaac Alfred Isaacs, Attorney-General.

Sir William John Lyne, Trade and Customs.

Sir John Forrest, Treasurer.

Mr. Austin Chapman, Postmaster-General.

Senator Thomas Playford, Defence.

Mr. L. E. Groom, Home Affairs.

Mr. T. T. Ewing, Vice-President Executive Council.

Senator J. H. Keating, without portfolio.

With some slight changes in the personnel, this Cabinet, historically known as the Second Deakin Ministry, established a record for the longest term of office yet attained. For three years and a-half they succeeded, despite many alarms and excursions, in keeping their seats on the Treasury benches. To enable this to be done, the Prime Minister had necessarily to gloss over many unpleasant truths about the Labor Party, which had been expressed by him during the quick-change period in 1904. The remainder of the session covered a period of five months of humiliating subserviency, but the sacrifice was not without some compensation in the progress made. The Labor Party did not love Mr. Deakin. They could not forget his rankling jibes about their methods, nor the part he had taken in the overthrow of Mr. Watson's Ministry. But they both hated and feared Mr. Reid, and they must work with one side or the other to get anything done. As they were affiliated under a written contract to a section of Mr. Deakin's former party, including Messrs. Isaacs, Lyne, Higgins, Kingston, and other notable fighters, they sought to draw him into that alliance in the belief that they would be able to get what they wanted under his banner, while as an isolated party they could do nothing; so it came about that when Mr. Watson asked the Prime Minister what he intended to do, the latter set

forth his views in writing, and received the approbation of the Labor Party, and a promise of "general support during this Parliament."

On the whole, the bargain was fairly carried out, and Mr. Deakin, anxious to snatch the chance of doing work, made his statement of the order of business on the 27th July. It was an amplification of the proposals submitted when Parliament met in March, 1904, but was extended to cover no less than 36 Bills for their consideration, many of them of a highly contentious character. Of these, he succeeded in getting nineteen passed, of which about a dozen were mainly administrative or machinery Acts, which really called for little discussion, though often receiving much.

Through all the wilderness of words, which fill 7400 pages of the Session's Reports, there looms up a few measures of prime importance, in some of which the domination of the Labor alliance was manifest. They were the "Contract Immigrants Act" and the "Immigration Restriction Amendment Act," introduced by Mr. Deakin; the "Commerce Act" and the "Sugar Bounty Act," fathered by Sir Wm. Lyne; the "Secret Commissions Act," by Mr. Isaacs; and the "Trade Marks Act," which originated in the Senate during the preceding session. Over all these measures there was long and heated debate, but the climax of disorder was reached in dealing with the last-named Act. It was responsible for the introduction and vigorous use of what its friends called the "Closure," and its victims the "Gag."

With regard to the first two Acts mentioned above, dealing with restrictions on immigration, it could not be denied that the existing legislation had exposed Australia to much unfavorable comment abroad. Partly, perhaps, owing to bungling administration, it had left Australians keenly sensitive to the ridicule of what they tried to persuade themselves was an unfriendly Press. One of the noticeable features of this session was the frequency with which the time of the House was taken up with questions and motions relating to what

were headed in "Hansard" as "Slanders on Australia." Members and Senators alike seemed emulous of the rôle of Elijah Pogram or Jefferson Brick, with a lofty contempt for the ignorance of their critics. More than one Governor was warned to bridle his tongue, because some utterance had been interpreted to infer a slight upon the collective wisdom of the people's representatives. Several of the State Premiers were denounced as enemies of the Commonwealth for speeches made in their own Parliaments. In one case it was asked that the offending Premier should be brought to the Bar of the House and made to prove his words.

But, while local journals and local politicians came in for much of the condemnation, it was upon the English Press and English public bodies that most of the vials of wrath were poured. This ridiculous sensitiveness, this childish irritability, could hardly coexist with a serene confidence that there was nothing to justify complaint. Thinking men could not fail to realise that there was an attitude of hostility to the outside world, a selfish isolation in a land of plenty. Politicians could, and did deny it. They could, and did repudiate the reiterated pronouncement of the Labor Leagues that no one should be encouraged to come to Australia while a single man remained unemployed. But their denials did not alter the fact. There was every excuse for other countries misinterpreting legislation of the immigration-restriction type, when admittedly the local officers administering it made blunders that required apologetic explanations by Ministers. The reports that foreigners were monopolising the labor of the Western Australian mines, that Italians were overrunning the sugarcane fields of Queensland, though shown by official returns to be untrue, were reiterated with such pertinacity as to convince the working man, and make him hostile to all immigrants.

It should have been evident to any unprejudiced person that the English and foreign critics could not possibly have had any malevolent or spiteful end to serve in these comments. As a matter of fact, they necessarily got their information from Aus-

tralia. One has only to read the debates, when party feeling ran high, on such lamentable episodes as the Six Hatters, the Six Potters, the "Petriana" Sailors, the Deported German Mate, the Repulsed Blind Tourist, and other unfortunate muddles, to see that European Press comments were only a reproduction of what had been freely said in Parliament. That outsiders might make mistakes in deciding which political party had the truth on its side is not to be wondered at, but that they should be actuated—as was often declared—by any malicious motive to spread slanders about Australia is repugnant to common-sense. It was mainly by her own internal squabbles that Australia was made to appear in the eyes of Europe as pursuing a policy of selfish isolation, of curt antagonism to the best customers for her products, and even to the country that had freely endowed her with her vast territory, and lent her the necessary capital for its development.

To help to remove some of these misconceptions, which had cast a stigma upon Australian legislation, Mr. Deakin introduced the two Bills referred to. In submitting the "Contract Immigrants Act," he candidly admitted that the primary intention of the existing Restriction measure

was to apply only to the general exclusion of colored races. But during its consideration in Committee a new clause was inserted, which aimed at all races, whether they could assimilate with ourselves without injury to our institutions or not. Dealing with immigrants solely from the economic standpoint, it applied to people of our own race, and even to those of our own country who might happen to be outside the Commonwealth. Consequently, the original provisions in relation to colored peoples have affected British citizens who seek to enter the Commonwealth under contracts to perform manual labor.

This was an admission that went far to justify many of the Press comments that had given such offence.

The passage of the Act aroused a rather prolonged debate, though it met its most hostile reception in the Senate, where several amendments and about a dozen divisions attested the interest it aroused. Many of the Labor Senators opposed it because it gave facilities for workmen under contract entering

Australia, while they would have preferred their absolute exclusion. In the end the Representatives accepted all the amendments, and the final stage was reached on 18th December, after a run of five weeks. In substance the Act allows any contract immigrant to land in Australia, if the contract is in writing, and its terms are approved by the Minister of External Affairs when a copy is filed with him; conditionally, that the contract is not made to affect an industrial dispute, that the conditions of the contract are as advantageous to the immigrant as those prevailing in Australia, and if it is shown that there is a difficulty in finding workers of equal skill in the Commonwealth. This last condition is not to be enforced where the immigrant is a British subject, born in the United Kingdom, or descended from one there born. This gracious concession to the Mother Country was not the work of the Liberal-cum-Labor Ministry. It was wrung from them by an amendment from the direct Opposition, moved by Mr. Dugald Thomson, of New South Wales. There are heavy penalties fixed for employer and employed who are rash enough to anticipate the Minister's sanction. In the light of a ridiculous fiasco that had already occurred, domestic servants accompanying their employers were graciously exempted.

The "Immigration Restriction Amendment Act" was a measure called for by an uneasy stir in the national conscience, but it was carried out in a half-hearted manner. While purporting to be a little more liberal, it was not intended, Mr. Deakin declared, to alter the present policy. The Prime Minister made no difficulty of admitting that the so-called education test was a sham, but it was proposed to keep it in force. He said: "The intention is to carry out the existing practice, which is to prescribe such a language in each case as will lead to the rejection of the persons intended to be rejected. That is deliberately done. The test is not of education, and was never proposed as such. It is a means of exclusion devoid of offence." Now, in response to strong representations made by leading statesmen connected with the Government of India,

and by ambassadorial conferences with Japan, it was proposed to strike out the word "European," as necessarily limiting the language employed in the dictation test, in favor of a language to be prescribed by regulation, such regulation to be approved by resolution of both Houses of Parliament. The sham was carried one stage further, and was intended to imply that under some possible conditions an arrangement might be made with any particular country, if such a course was deemed desirable, for prescribing the language of that particular country, even Hindu or Japanese. It was not intended to take any immediate action in formulating the regulations. The removal of the word "European" was an act of grace to declared susceptibilities; but the present practice was to continue, and Parliament might be trusted to put its veto upon any altruistic alterations.

The trifling and disingenuous concessions which this amending Act made to the opinion of all intelligent observers, that Japan, at least, had been treated with a disdainful hauteur, would possibly have been more real and effective, had the Ministry been able to do without the Labor Party. There can be little doubt that the powerful addresses delivered by Mr. Bruce Smith in the Representatives in September, and by Senator Pulsford in the other Chamber in October, convinced many wavering politicians that Australia was mistaking courteous forbearance for timid acquiescence, and was repelling by bluff those friendly overtures which should have resulted in lasting and beneficial treaties. The correspondence adduced in those two addresses, and the remarks of statesmen quoted therein, disclose the attitude of the Commonwealth in a light that no Australian can contemplate without a sense of shame. Only under the protection of the British flag, which was being so grudgingly paid for, could these things be done.

Of the two measures introduced by Sir Wm. Lyne, the "Commerce (Trade Descriptions) Act 1905" was intended to stimulate the morality of the mercantile conscience by making it punishable to describe things to be what they were not. It

went, however, much beyond this laudable object, in the direction of very detailed regulation of imports and exports—so much so that in its original form it seemed to threaten such an army of inspectors as would make it unworkable. It was responsible for very prolonged debates, and efforts were ineffectually made to clear the decks by referring it to a Select Committee. Though introduced on the 2nd August, it was the subject of so many amending references between the two Chambers that it did not pass its final stages until the 7th December. Its operations were intended to guarantee to foreign customers the genuineness, if not the quality, of Australian exports of foodstuffs, and it has not been without success in that aspect.

The "Sugar Bounty Act 1905" was noteworthy as being in some respects a herald of the New Protection. Advantage was taken, when renewing, for another six years, the generous bounties for sugar grown by white labor, to add a clause in favor of the laborer. The claimant for the bounty is required to make a declaration of all wages paid by him, and if they are below "the standard of the district" he gets no bounty.

Mr. Isaacs, Attorney-General, introduced the "Secret Commissions Act" on the 2nd August, in a concise and able speech, in which he said that it was intended, in conjunction with such measures as the Commerce Act, to promote the welfare of the primary producers of the country. His illustrations of the necessity for the Act—largely taken from the report of a recent Commission on the Butter Industry—were so unanswerable that nearly every speaker commenced by saying that the proposal commanded their heartiest sympathy; yet they were not satisfied to leave definitions entirely to the lawyers, and so many efforts were made to enter into consideration of verbal details that the debate was prolonged over three months. The only candidly-avowed opposition to this important Act was based on the plea that it was not necessary, because the more important States already had local legislation amply sufficient to deal with the evil.

The "Papua Act 1905," though largely devoted to the machinery of administration, demands some notice, on the ground of its historical interest, its protracted career through Parliament, and the very interesting debates for which it was responsible. The antipathy manifested by Great Britain from the outset towards the proposal for taking over New Guinea is well enough known. Only when guaranteed against loss by three of the Australian Colonies did she entertain it, and while she hesitated, Germany stepped in and annexed that portion of the northern coast that had not been appropriated by Holland. It was a troublesome charge for Great Britain, and an expensive one for the Colonies. The £20,000 a year was regarded as an unproductive tribute to sentiment. When the Commonwealth was established, all parties concerned were willing that the Federal Parliament should assume a responsibility which the Imperial Government was glad to surrender. The control of a Dependency equal in area to the State of Victoria, the whole practically unalienated, scarcely scratched by cultivation, and teeming with productive energy, was like a sheet of blank paper prepared for the records of great achievements. An aboriginal population of half a million, with less than a thousand migratory white men amongst them, offered a glorious opportunity for Australian statesmen to show that constructive wisdom which they were wont to boast only required a fair field to produce a race of regenerated humanity. The day has not yet come. It is worth watching for.

The Papua Bill, which authorised the transfer of the British "Possession" into a "Territory" of the Commonwealth, was originally brought in by Sir Edmund Barton in July, 1903. It made some progress in debate, but lapsed with the close of the session. It was taken up again in the next Parliament by the Labor Ministry of Mr. Watson, but the overthrow of his Government once more left it stranded. The Reid-M'Lean Ministry started afresh with it towards the end of 1904, and managed to get it passed by the Representatives. The Senate proposed some amendments, which were under consideration

when the session closed. Next year, after the Reid-M'Lean Ministry had been ejected, Mr. Deakin once more introduced the Bill, at the point where its consideration had been suspended. It is interesting to note that in these very protracted debates there was practical unanimity of principle, and only on one point was contention strong. That centred round the drink question. Both Houses demanded the prohibition of the sale of intoxicants to the native races; but the Temperance Party in the Representatives had inserted a clause prohibiting their importation, manufacture, or sale in the Territory at all. The Senate declined to accept prohibition, and struck out the clause, inserting one in favour of giving the Government the absolute control of the liquor traffic. This was unfavorably received by the Representatives, and in the end a compromise was effected on the lines of local option, under which the number of existing licences in the Territory—twenty had been granted—could not be increased, but might be steadily reduced if a defined majority vote so willed it. This was giving the white settlers in Papua the right to prohibition if they desired it, without forcing it arbitrarily upon them. The Act, which initiated a great experiment in Commonwealth control, was framed on wise and considerate lines. The communal or tribal rights of the natives were respected in a manner that contrasted favorably with the ruthless rule of the Australian pioneers. The lands were debarred from alienation, and the long leases, offered by the Government at a trivial rent, were subject to periodical reassessment, commensurate with the growing value arising from the spread of settlement. Enough was done to encourage the foreign capitalist to profitably utilise the great natural resources; but no prospect was held out of allowing company-mongers to rule over vast freehold estates, as had been found such a hindrance to proper development in some of the Australian Colonies.

When introducing the "Trade Marks Act," Mr. Attorney-General Isaacs pointed out that it was one of the matters prescribed by the Constitution for Federal control, and his open-

ing address seemed to imply that his main object was to combine the various State Acts upon the subject, and to bring them up abreast of the latest English legislation. So far, the Act would probably have passed, with only trivial discussion on technical points. But the sting of the Act was the class preference which it sought to give by a clause, introducing the "Union Label" for all goods wholly manufactured by members of trades unions. As the non-unionists were admittedly far more numerous than unionists, it was fairly contended that it was an attempt to boycott free labor. If it was followed up, as the Labor Councils declared that it should be, by all members of trades unions refusing to deal at any shops but those that kept the union-label goods, it would lead to employers concussing their men to join unions, or accept dismissal. Apart from the creation of this tyranny, it was said that even if it was desirable for the Legislature to champion the cause of trades unions, it should be done in a direct form, and not by smuggling in a clause that had no direct relevancy to the real intention of Trade Marks. The debate was opened by a lively contest between Mr. Isaacs, supported by Mr. Watson for the defence, and Mr. G. H. Reid for the attack. The latter was scathing in his denunciation of the bill as a narrow and selfish measure, which he assumed was forced upon an unwilling Government by their Labor supporters. But he was also the first to declare it absolutely worthless if passed, by reason of its being unconstitutional. Such eminent lawyers as Messrs. Isaacs and Higgins angrily denounced that view.

This was on the 2nd August, and thence until the 11th December it formed, at frequent intervals, a subject which stirred the most violent, the most personal, and the most disorderly discussion that Parliament had yet experienced. By the middle of November the Government was powerless to get any business done, though the support of the Labor Party gave them a small majority. The Opposition, who, it must be admitted, were justly irritated by the domineering attitude of the Attorney-General, used all the forms of the House to

obstruct progress. All-night sittings, with no results to show, began to wear Members out. At length Mr. Deakin decided to make use of his majority. On the 16th November he proposed a new Standing Order for the limiting of debate. It empowered any Member, without notice, and whether any other Member is addressing the Chair or not, to move, "That the question be now put," and it must be put forthwith and decided, without amendment or debate. The only qualification was that there must be at least 24 votes in favor of the motion. It is easy to conceive how, in the inflamed temper of the House, this motion was received. From Thursday afternoon until midnight on the following Saturday the House sat continuously, enduring for 56 hours the strife of angry tongues and clamant charge and counter-charge. The Speaker took upon himself, without warrant or precedent, to save the Sunday from such profanation, and by adjourning the House until Monday morning, gave time for some heated feeling to subside. On the following Thursday, 23rd November, the new Order was carried by a majority of ten in a House of fifty, though most of the absent Members had paired. There were other provisions in the Order, for the limitation of debate, by abolishing it altogether on purely formal motions for adjournment, and kindred matters, and it promised well for the suppression of the inveterate talker. It certainly enabled the Government to get some work accomplished; and though the Opposition did not cease from ineffectual protest against the "Union Label," the Trade Marks Act reached its final stages three weeks later.

It was humiliating to the Ministry that this attempt to subsidise trades unionism, which had raised such angry controversy both in and out of Parliament, and which was responsible for such a waste of legislators' time, should have turned out, as Mr. G. H. Reid predicted, unenforceable, because it was at variance with the Constitution. During the two years that this clause in the Act was supposed to be operative, it was a source of trouble and contention in some industrial quarters. At length the matter was taken up in

earnest, and a test action by the Government of New South Wales against a trades union connected with the brewing industry was brought before the High Court of Australia. The Chief Justice, with the concurrence of Justices Barton and O'Connor, said that the section creating the "Union Label" was invalid, not only because the label was not a Trade Mark in its proper sense, but because the clause was an attempt to regulate the internal trade of the States in a matter that was not within the express powers conferred on the Federal Parliament by the Constitution.

Apart from Bills passed, or rejected, there were several subjects of interest discussed on the initiation of private Members. Probably the most attractive of these was a motion for an address to H.M. the King, urging Home Rule for Ireland, which was piloted through one Chamber by Senator Dawson, and through the other by Mr. H. B. Higgins. It seemed incredible that this was the same Mr. Higgins who had so hotly denounced Mr. Chamberlain, when Secretary of State for the Colonies, for presuming to offer advice to Lord Hopetoun on matters touching Australia's dignity; who had accused that unfortunate British statesman of want of tact, and abundant vulgarity, for meddling in matters over which the Australian Commonwealth ruled supreme. Perhaps it was still more surprising that a Constitutional lawyer should have elected to pass over the recognised heads of the British Government, and go direct to the King with an assurance that "no British Parliament can understand, or effectively deal with, the economic and social conditions of Ireland."

As might be expected, portions of the more offensive phrases of the motion were knocked out in the course of the prolonged debates, and by the time the final division was reached, the words reflecting on the capacity of the British Parliament were withdrawn. By 33 votes to 21 it was decided to present an address to His Majesty, expressing a hope "that a just measure of Home Rule may be granted to the people of Ireland." The action aroused much controversy outside of

Parliament, and public meetings were held in protest. It is difficult to understand in what way the petitioners expected the King to intervene, but it is certain that this resultless pronouncement of individual opinion was dearly paid for in the sectarian and racial squabbles which it engendered.

Other theories were ventilated from time to time, when opportunities were presented for academic discussion. Proposals were gravely submitted for the Government ownership of a line of steamships, for the issue of Commonwealth Treasury Notes, for Penny Postage, for Elective Ministries, and for the relief of innumerable "anomalies" in the Tariff. The enquiry into the tobacco monopoly grew into a Royal Commission, to be heard of later. An early symptom of unrest developed itself on the 2nd November, when Mr. King O'Malley asked the Prime Minister if there was any truth in a rumor on the Stock Exchange that the Government had a Bill drafted for raising Members' salaries to £600 per annum. Mr. Deakin discreetly "knew nothing of the rumor." It was not so long, however, before rumor was found not to be such a "lying jade" as commonly supposed.

The end of the session was reached on the 21st December, when His Excellency the Governor-General dismissed Members to their homes, in a cheerful congratulatory speech, in which the only qualification of its general laudatory character was a faint air of regret that the seat of Government had not yet acquired any distinctly-defined territory, that the Bill for the Preservation of Australian Industries had not reached the Statute Book, and that the question of Defence was still one of very urgent need.

CHAPTER VIII

THE SESSION OF 1906

OUTSIDE the political arena the year 1906, which saw the close of the second Commonwealth Parliament, was one of exceeding prosperity. In the primary industries there was greatly-increased production. The markets responded with good prices. The profits of three consecutive good seasons had reduced liabilities and made people feel independent. The volume of oversea trade reached the highest point since records had been kept. The cry of the unemployed was less in evidence, though never quite extinguished. But the man whose horizon was bounded by salary or wages suffered from an unexplained increase in the cost of living, which damped his ardor and stimulated discontent. He could not at once grasp the reason why all the efforts of the Labor Party for improving wages and working hours did not bring general happiness. He promptly attributed the enhanced cost to the greed of manufacturers, producers, and retailers, rather than to the increased cost of production. And the result of this wide discontent was shown in labor disputes and threatened strikes, which were very prevalent during the years 1906-7. At the same time, it seemed incredible to the ordinary citizen that all the Conciliation and Arbitration Acts, both Federal and State, were found to be insufficient to secure industrial peace. He felt, when he was called upon to bear his share of the loss and suffering which these outbreaks entailed, that he was not getting an equivalent return for the large amount he paid to legislators to provide him with peace within his gates. But the ordinary citizen is long suffering, and he was happily unaware that there was a much worse experience of this feature in store for him.

The early months of the year were enlivened by a platform

warfare, which raged during April and May, between the Prime Minister and the Leader of the Opposition, Mr. G. H. Reid. Mr. Deakin—first at Ballarat, afterwards at Adelaide and other places—while nominally propounding the policy of the Government, devoted much of his oratory to his old controversy with Mr. Reid. The public were rather impatient of such elaborate explanations, that did not explain the hidden meaning. They were very little wiser after listening to the complicated reasons for what they could not but consider as a policy of vacillation. They were ready to forget all the confusing clamor of the party conflicts, and quite ready to give Mr. Deakin every credit for being actuated by the best of motives, even when using the most questionable of means. They wanted some definite declaration of vigorous policy, and an intention to fight for it, or go under. But there was little more in these addresses beyond an iterant demand for more Protection, and a hazy sort of declaration that, while the idea of working in harmony with the direct Opposition was out of the question, there were possibilities of a closer union with the Labor Party. The legislative ideals of the latter were certainly more in accord with the Prime Minister's own, particularly in matters of social and industrial betterment.

But if Mr. Deakin's rhetorical generalities were inspiring to listen to, and confusing to think over, it cannot be said that his great opponent came any nearer to the popular demand for definite action. On one point only was Mr. Reid unswervingly emphatic. "Anti-Socialism" was his war-cry, and on that subject there was no mistaking his meaning. No one could have pointed out with more trenchant vigor the fallacies that underlie the Socialist ideal in its entirety. But he probably attached too much importance to the windy resolutions of the leading Australian Labor Federations, demanding the nationalisation of all means of wealth-production, distribution, and exchange. He did not allow for the inevitable reaction, which, in a country where nearly all the working classes had some property, would inevitably follow the first overt act to "nationalise" it. In any case, his campaign, which he carried

into several of the States, if it frightened the timid, did not materially strengthen the Opposition benches. Indeed, the bitter animosity which his scathing speeches aroused in Labor quarters bore unexpected fruit in the next general election. Mr. Reid's tirades on Socialism badly galled the professors of that cult; but his denunciation of preference to unionists, and of the tyranny hidden under the Union Label, stirred the undying hatred of the Labor Party in Parliament, and all its caucus supporters.

While the Ministerialists and the Opposition were thus flouting each other in public, the Labor Party, secure in holding the balance of power, maintained a discreet silence, broken only by an occasional philippic which Mr. Watson discharged against Mr. Reid. They were arranging, in caucus, as to the attitude they should take in respect of certain pending legislation, for which they had indicated their desire in the last session. The Anti-Trust Bill, as it was at first called, was mainly a child of their creation. They had Mr. Deakin committed to it in writing. Then, again, while Protection was an open question on their platform, they were beginning to see that, although when it was effective it might be held to increase employment, yet the worker did not share in the greatly-increased profit which it lavished on the manufacturer. They were not to be hood-winked by the silly cry that Protection does not increase prices. In their own household bills they had the refutation of that *canard*. The manufacturers were making larger profits at the expense of the consumer. Undoubtedly, the workers formed the largest body of consumers, and they sought to get a share of those profits as a set off to the protected monopoly the manufacturer enjoyed. But some of the strongest men in the Labor Party were Freetraders, or, at any rate, opposed to the adoption of such a high Tariff as Mr. Deakin stood for. It was not an easy task to persuade them to accept the Prime Minister's fiscal views; but Mr. Watson overcame opposition by suggestions, which he afterwards issued as a manifesto, when the discussions in Parliament had become acute.

There is much inferential evidence to show that during this recess Mr. Watson would have been willing to join his forces with the Ministry on a more definitive basis than the mere promise of support which he had been authorised to give. Indications that he was beginning to chafe under the domination of the caucus were not infrequent. He was credited with saying that he would not again take office unless he was a real leader, with an unfettered discretion in the selection of his colleagues and the conduct of the Government business. But the Federated Labor Leagues would hear of no alliance with any party. Later they refused his urgent request not to put up Labor nominees at the next election in opposition to those members of Mr. Deakin's party who had loyally supported the short-lived Labor Government.

Mr. Watson was a capable and experienced Parliamentarian, not without ambition, and this deadening prospect of remaining Leader of a minority, always in Opposition, led him to consider his position. He finally decided that loyalty to his party required him to continue to hold the fort, so he braced himself to meet Parliament, and to allow his final action to be guided by the developments of the session.

Meanwhile, although Parliament had not yet been convened, the Prime Minister had plenty to employ his attention in the intervals of his public addresses. A number of Royal Commissions, which had been floating about, were beginning to send in their voluminous reports, which required much pondering over if legislative action was to follow. Of these, the Old-Age Pensions Commission, the Navigation Commission, and the enquiry into the alleged Tobacco Monopoly, were the most important. The great Tariff Commission, destined to bulk so largely in coming politics, was beginning to flake off a number of interim reports, rarely unanimous, but generally supported by thousands of printed pages, called Minutes of Evidence. It did not seem a wise expenditure of money to print these ponderous volumes of question and answer, in view of the fact that all their substance had not enabled the Commissioners to agree on recommendations, and under no circum-

stances were they likely to be studied by any outside enquirer. Then there were foolish whimpers of secession to listen to. New South Wales would not much longer put up with the delay in settling the Federal Capital. Western Australia declared that unless the railway from Kalgoorlie to Port Augusta was promptly conceded, she would have to consider whether she could remain attached politically to a Federation from which she was geographically separated.

On Thursday, 7th June, 1906, the third session of the second Parliament was formally opened by His Excellency the Governor-General, Lord Northcote. The speech prepared for him was rather more voluminous than usual, reaching 36 paragraphs—a neat blend of congratulations on work done, and an encouragement to do more. The future of the New Hebrides, Papua, and the Northern Territory were said to have engaged earnest attention during the recess. Norfolk Island would be added to the extra territorial possessions of the Commonwealth as soon as an Act for that purpose should be passed. Several paragraphs related to the Defence question; but none of them pointed to any special phase with which Parliament could deal at present. The necessity for increasing the strength of the High Court was dwelt upon. The immediate attention of Members was invited to Bills about to be submitted, of which the most important were the preservation of Australian industries and repression of destructive monopolies, the encouragement of preferential trade with New Zealand and South Africa, assistance to agriculturalists by means of bounties on produce, to authorise the survey of the Kalgoorlie to Port Augusta railway, to more definitely determine the seat of Government, and to appoint a High Commissioner to represent Australia in London. There were several minor recommendations, mainly of machinery or definition Bills, and the only note of discontent was sounded in a mild expression of regret that no agreement had as yet been arrived at upon the fundamental questions affecting the future finances of the Commonwealth and the transfer of the State Debts.

The debate on the “Address in Reply” was commendably

brief, despite the quantity of debatable matter which the speech contained. The mover and seconder were both concise and temperate in their expressions, and the only animation displayed was concentrated in the speeches of the Prime Minister and Mr. Reid, who spent a few hours in charges and counter-charges, mainly connected with the tangled politics of 1904, without materially elucidating the outlook for the future, which was of such more vital importance. After this episode of caustic criticism only three Members spoke, and the Address was carried within a week.

The great feature of the session was undoubtedly the "Australian Industries Preservation Bill," which, under the designation of Anti-Trust, had figured in the previous session. It was introduced by Sir Wm. Lyne on the first day of meeting. He moved the second reading on the 14th June, and from that date until the 13th September it overshadowed all other business in both Chambers. With the exception of the Customs Tariff Bill of 1902, no measure yet before Parliament had produced such volumes of talk. This is not surprising when it is remembered that the class of legislation aimed at was comparatively new to Australia. It is true that in the Commerce Act the Government had already maintained its right to regulate the operations of individual traders; but in that case the interference was directly in the interest of consumers. In the present Bill the consumer was openly sacrificed to the wage-earner, inasmuch as the provisions against "dumping" were intended to exclude from the market those surplus goods of other countries which could be sold cheaper than those of local manufacture.

For a definition of "dumping," which at the same time should make it a crime, it was necessary to assume a wicked motive. If the Comptroller of Customs believes that "any person is importing goods with intent to destroy or injure any Australian industry by their sale within the Commonwealth in unfair competition with Australian goods," he can refer the matter to a Justice of the High Court; and if that official, guided "by good conscience and the merits of the case, with-

out regard to legal forms or technicalities," decides that the goods are being imported with such intent, their importation shall be prohibited. Despite the elaborate definitions of "unfair competition" which occupy six sub-sections of the Act, it would be an extremely difficult task for any Justice to prove that the intent of the importer was to destroy or injure any Australian industry. It is not an intention to be lightly ascribed to any reputable British or foreign manufacturer. If it arose out of an attempt to minimise losses attendant upon those periodical crises of over-production, it would doubtless come into unfair competition in some markets where a more equable course of production prevailed. But why should prohibition in such case be confined to the foreigner. The streets of Sydney, Melbourne, and Adelaide are aflame with posters announcing the sale of goods "below cost price." Every tradesman finds it necessary at times to "dump" his surplus stock. If he has got it on his premises, he is legally entitled to do so, however much his brother-traders may suffer by his action; but he must not, as an importer, enable anyone else to adopt similar tactics.

It scarcely needs to be pointed out that "dumping" on any material scale can only emanate from countries living under a high protective tariff. Great Britain has been subject to the most direct attacks in this form from Germany and America, but has not deemed it necessary to legislate against it. After the most careful statistical enquiries, it has been shown that the benefit to the consumer, and also to other trades where the "dumped" goods are raw materials, far more than compensates for the "unfair competition." This being so in a Freetrade country, surely the heavy protective duties ruling in Australia need not be reinforced by absolute prohibition in such cases. The idea that any combination of manufacturers could permanently maintain a practice of "dumping" in foreign countries, in the sense of selling without profit, or at a loss, is not seriously regarded by the economists of Great Britain. So far as the local application of this section of the Act is concerned, it has practically been a dead letter.

The other element of the Bill, which is described as the Repression of Monopolies, aims at the prevention of trusts and other combinations in restraint of trade. This laudable idea was primarily inspired by the rumor that a Canadian manufacturer of harvesting machinery, backed by American capital, was arranging to supply such machinery to Australia at prices which would make the local manufacture unremunerative, even possibly leading to the destruction of the industry. It was alleged that the company aimed at securing a monopoly by quoting lower prices for its implements in Australia than it sold them for in America. This was instanced as a sample of the unscrupulous use of their powers, which had been made by bodies similarly constituted in the United States. The illustrations with which the supporters of the Bill enforced their arguments were almost entirely drawn from that country. The greed, rapacity, and open defiance of all moral or legal restraint, which had characterised the proceedings of some of these vampire organisations, were properly held up to obloquy and reprobation. It was not sufficiently insisted upon that such abuses were only possible in a country where very heavy protective duties kept the outside world from interfering. They have to be accepted as the necessary concomitant of Protection, and no legislation yet devised has been effectual in extirpating them, though both State and Federal laws in the United States have been aiming in that direction for many years. Under freedom of commerce, abuses of this type would be crushed out of existence in a few weeks.

It could hardly be denied that there had been trusts and trading combinations whose operations had been beneficial alike to the consumer and the employé. Cases were cited during the discussion, in which prominent Labor leaders had borne testimony to the benefits which had resulted all round from a combine of local shipowners, whose previous wasteful competition had, in addition to their own losses, narrowed employment and reduced wages. What the more intelligent supporters of the Bill wanted was a carefully-prepared measure for the regulation of trusts, rather than for their repression.

Such a measure could hardly be formulated by politicians and lawyers without inflicting some unintentional disabilities on legitimate commerce. The few Members of Parliament who really had commercial knowledge and experience were agreed in describing it as unnecessary. It had been placed in the forefront of the Government policy with a view to propitiating the Labor Party; but Mr. Watson had at the outset of the debate plainly declared that he had no faith in its efficacy. He spoke for his party when he said that the only proper cure for the evils resulting from trusts and monopolies was their collective control by some body representing the people. For himself, he said: "While I have no great hope that it will prove advantageous, it is only reasonable that a step which has been tried elsewhere for dealing with such evils should be tried here, with a view to demonstrating its real character."

One mercantile Member asked the pertinent question, Why, if it was necessary to have trades unions to compel the workers to stand by each other, is it not equally necessary that the masters, even the largest traders, should protect themselves from predatory competition by combining for that purpose? He received no answer, because the Government, being already committed to preference for unionists, were not in a position to argue the question.

The clauses for the Repression of Monopolies may be summarised thus:—

Any individual, either as principal or agent, or any company, local or foreign, that enters into a contract with intent to restrain trade, or to destroy or injure, by means of unfair competition, any desirable Australian industry, is guilty of an offence. Penalty, £500.

Any such person who monopolises, or conspires to monopolise, any part of the trade or commerce with other countries or among the States, with intent to control, to the detriment of the public, the supply or price of any service, merchandise, or commodity, is guilty of an offence. Penalty, £500.

The foregoing applies equally to foreign corporations trading in Australia, and to anyone who aids, abets, counsels, or procures, or by act or omission is in any way concerned in, or privy to, the commission of any offence against this Act, or the doing of any act outside Australia which would, if done in Australia, be an offence against this Act, shall be deemed to have committed the offence.

Penalty, £500. For second offence—Penalty, £500, and twelve months' imprisonment. In the case of a corporation—Penalty, £1000.

Notwithstanding the prolonged debates over this measure, it was found necessary to pass two amending Acts in the sessions of 1908 and 1909. The first of these proposed to lay the burden of proving his innocence on the person charged in the early stages of the enquiry. The second amending Act made it a penal offence for any person to make a condition in dealing with another that the latter should only deal with him, and not with any third person. It also prohibited the allowance of any discounts or rebates to any particular person which were not general to all persons!

It is a remarkable instance of seeing the mote in the brother's eye, that, while the Attorney-General was beaming over his penal clauses against the wicked combines in commerce, his colleague, the Postmaster-General, with the full concurrence of the Cabinet, was entering into a contract with a combine of British shipbuilders to wrest from the then holders the carriage of the Australian mails. To this end the combine had offered to do the work at a sweating rate, which all business men promptly declared to be an impossible one. True, the Act was only intended to prevent injury by unfair competition in an *Australian* industry, and the competition here affected only English-owned companies, though they had served Australia long and satisfactorily. The inference to be drawn from the Act was that no good thing could come out of a combine, and it was humiliating to see the Government betrayed by a paltry desire for cheapness into supporting a combine that ended so disastrously. It was not well to be so careful of the worker within our gates, and yet, when once outside, to grasp at the chance of an advantage which might be purchased at the expense of the "foreigner." Had the Government consulted any recognised commercial body before entering on this business, they would have saved some thousands of pounds, much irritating delay, and some unprofitable litigation.

Next to the Industries Preservation Act, the largest amount of time was devoted to discussing no less than five Bills, introduced to secure an alteration of the Commonwealth Constitution Act. Two of these were successfully carried through. One, called the Referendum Act, was intended to provide the permanent machinery for taking a vote of the electors, in the manner prescribed by the Constitution, on any proposed alteration, which had secured the statutory majority of both Houses. In view of the restlessness which had been shown, it was regarded as a necessary measure to have ready when the occasion arose for its use. The other one, known as the "Senate Elections Act," involved a trifling alteration to make the election of Senators synchronise with the general elections for the House of Representatives, to save the unnecessary cost of a double polling. The only objection offered to it was that the benefit sought to be gained might be nullified by an interim dissolution of the popular Chamber; but the Opposition was not strong. The Bill passed both Houses, and was left for the ratification of the electors.

The other three Bills were destined to failure. The first, which aimed at the "Nationalisation of Monopolies," was introduced in the Senate on the 16th August by a private Member in response to a recommendation of the Tobacco Commission. Although the debate was confined to the Senate, it was one of the most lively and informative of the whole session. The Senate was equally divided on the motion for the second reading, so it was declared lost. It was to come up again as a Government measure.

On the 30th August, the Prime Minister introduced a Bill to alter the Constitution in respect of "Special Duties of Customs and Excise," and on the same day the Treasurer brought in one to alter the Constitution in relation to the "Public Debts of the States." These were both very important Bills, representing a genuine effort to deal with pressing questions of finance which had been jostled aside by party squabbles for five years. Mr. Deakin's Bill sought power to raise certain special Customs duties, to be allotted

solely to Commonwealth expenditure. The object was to avoid the necessity of levying four times the amount of taxation required, in order to return three-fourths to the States, as at present he was bound to do. The Treasurer's Bill was to enable the Commonwealth to take over the whole of the existing State debts, if such an arrangement could be arrived at with the Premiers. By the Constitution the power was limited to the amount owing at the date of Federation.

The most notable work of the session, from the experimental point of view, was the passing of two Acts, which must be taken in conjunction. They were the "Customs Tariff (Agricultural Machinery) Act" and the "Excise Tariff (Agricultural Machinery) Act." The former was a short Act, scheduling a scale of duties on stripper harvesters, Australian drills, and other agricultural machinery, and fixing the maximum prices at which the two first-named articles shall be sold. If the price fixed is exceeded, the Government may reduce the duty on the imported machines. The Excise Act embodied the principles of what became known as the New Protection, which the Labor Party had long been demanding.

It imposed an excise duty on a scheduled list of agricultural implements manufactured in Australia, and then proceeded to declare that the duty should not be payable on goods manufactured under conditions as to the remuneration of labor, which

Are declared by resolution of both Houses of Parliament to be fair and reasonable; or,

Are in accordance with an award under the "Commonwealth Conciliation Act 1904"; or,

Are in accordance with an industrial agreement filed thereunder; or,

Are, on an application made for the purpose to the President of that Court, declared to be fair and reasonable by him, or by a Judge of a Supreme Court of a State, or any person or persons who compose a State industrial authority, to whom he may refer the same.

Around these proposals the discussion was long and vigorous. It was contended that the enforcing of a penal excise upon the product of Australian manufactures, as a means of compelling an artificial standard of wages, was class legis-

lation of a flagrant type. It conferred material benefits on the factory operatives by means of excessive duties imposed upon the whole community, who, as consumers, had eventually to pay the enhanced cost. On the other hand, it was maintained that while such might be the case, if the principle was of universal application, the proposed law only applied to a specific article, the price of which was fixed irrevocably by Act of Parliament. If once the right of such interference was admitted, there did not seem any ground for opposing its application to all industries. Indeed, a movement was subsequently initiated in one of the Trades Councils to urge upon the Government to fix the price of wheat by legal enactment.

The result of the proposed Act, it was declared, would be a direct flouting of all the Wages Boards and Industrial Agreement Acts of the various States. This was a ground of objection by all who had any regard for the rights of the States. But the Labor Party were determined that the Prime Minister should not ride his hobby of high Protection for the exclusive benefit of the manufacturer. Unless they could secure some share of it for the worker, they would play another card, probably the nationalisation of all industries. Mr. Deakin was too good a constitutional lawyer not to be aware of the legal difficulties in securing the desired control; but he was powerless to act in the existing state of party politics. It was noticeable that he refrained from taking any active part in the discussion of the two Acts, and only spoke at the last stage, when he made a brief and regretful recommendation to concur in an amendment by the Senate, as to which he expressed his disappointment.

The firm of agricultural implement makers, whose business it was one of the chief objects of this legislation to protect against American competition, was very willing to accept all the benefits conferred, but resented the excise proposals as too burdensome. Their employes considered their wages below the standard contemplated by the Act. They took their employers to the Federal Arbitration Court, and the judge supported their view, and raised the rate of wages all round.

The firm refused to pay the increased rates, and, after some eighteen months of dislocated industry and expensive litigation, the High Court of Australia, by a majority judgment, decided that the "Excise Tariff Act 1906" was unconstitutional, invalid, and void. The judgment declared:—

The Act is bad on the following grounds:

1. As being an attempt to regulate the internal trade and industry of the States.
2. As authorising discrimination between States and parts of States.
3. As containing provisions dealing with other matters than the imposition of taxation.

This anti-climax was reached within two years of the passing of the Act.

There was another Customs Tariff Act (No. 17) which granted preferential duties on imports from British South Africa, ranging from a concession of 10 per cent. to 25 per cent. on existing duties. As Sir Wm. Lyne was able to show that the exports from Australia to South Africa were over £2,000,000 per annum, on which a reciprocal reduction would be made, while the imports from those colonies into Australia were exceedingly trifling, the advantage was so prominently one-sided that the Act was passed through all its stages in one sitting. Overtures of similar reciprocity had been made to New Zealand by Mr. Deakin, but the local Parliament declined to entertain them.

The promise in the Governor-General's Speech that assistance should be given to agriculture, and to the promotion of new industries, by means of a series of bounties, was a source of much contention. The second reading of the Bounties Bill, moved by Sir Wm. Lyne on 27th July, met persistent opposition. In the Committee stage it was shelved by a "count out" of the House, and its restoration to the business-paper was resisted. Eventually its restoration was allowed, and, after many futile divisions, it passed the third reading, and was sent to the Senate on 31st August. There it met with renewed opposition, and so many amendments, that on the day of the prorogation it was discharged, to come

up for further consideration next session. In its final form, as assented to in 1907, it appropriated £339,000, to be paid out during the next fifteen years in bounties on the production of certain goods scheduled. They were chiefly cotton, flax, hemp, rice, rubber, coffee, and tobacco, with a few prepared articles, such as preserved fish, dried fruits, and combed wool or "tops." The amount of bonus to any one industry must not exceed £10,000 in one year, and the goods entitled to claim must "have been grown or produced by white labor only." A compunctious clause was added exempting aboriginal Australians from the effect of the last-named provision.

In this Parliament Mr. Deakin made his tentative proposals for a preferential duty to be granted to British goods imported into Australia. As this matter is more fully dealt with in the account of the Colonial Conference of 1907, it is only necessary to refer here to some of the incidents connected with the discussion which the Bill evoked.

A Mr. Frazer, Member for Kalgoorlie, in Western Australia, moved an amendment on 25th September to the effect that only goods which were *proved* to be made by white British workmen should enjoy the privilege. Being defeated on this, he then proposed to limit the benefit to goods brought in British ships, "manned exclusively by white British seamen." This also was rejected, and then another Labor Member proposed that there should be at least 80 per cent. of white British seamen. This was equally unsuccessful. Mr. Frazer returned to the charge with a fresh proposal of "manned exclusively by white seamen," eliminating the word British. This was carried in a thin House by a majority of one. Only 33 Members voted, the three Ministers present being in the minority.

Mr. G. H. Reid appealed earnestly to the Prime Minister to reconsider the position. He said that it amounted practically to an endeavour to assert authority over British ships under the guise of an unconditional gift of preference to the Mother Country. . . . The amendment which has been made will attract attention and reprobation throughout Australia and the civilised

world to a degree beyond its importance. It is trivial in itself, but will be obnoxious to the feelings of most persons, and especially to the people of Great Britain, to whom we desire to make some expression of kindly intentions.

But Mr. Deakin, while describing the amendment as a mistake, would not risk a recommittal, and the Bill was pushed through its third reading, and sent to the Senate.

On the 10th October, Mr. Deakin announced that the British Board of Trade had pointed out that the discrimination of British ships was forbidden in a number of international treaties, some of which were binding on the Australian Colonies. He proposed to eliminate from the Bill the whole of the provisions relating to British ships and white seamen. Being unable to effect this at the stage which the Bill had now reached, he introduced an amending Act to give effect to that proposal. After some discussion as to the legal position created by amending an Act that had not yet become law, the Bill was passed by the House of Representatives, but was promptly rejected by the Senate by nineteen votes to five, without discussion. The original Bill went through its usual course, and was reserved by the Governor-General for the Royal assent. The after fate of the preference proposals found its field of discussion in the Tariff Bill of 1908.

In view of the emphatic declarations of the Chief Justice, Sir Samuel Griffith, that the work of the High Court was getting into arrears, quite beyond the power of three judges to overtake, there was little opposition, except in the Senate, to the "Judiciary Act 1906," a short measure which increased the number of judges from three to five. Some efforts were made to draw the Ministry on the subject of the personal appointments; but Mr. Deakin was able to avoid a direct reply until the day of the prorogation. The promotion of the combative Member for Northern Melbourne, Mr. H. B. Higgins, and the vigorous ex-Attorney-General, Mr. Isaacs, to the dignified isolation of the highest legal tribunal in the land, raised no adverse comment. They were both men of recognised ability and high standing in their profession, and from a pecuniary point of view they probably made a sacrifice in accepting office.

Doubts were expressed about the necessity for increasing the number on the bench, but the legislation of the last two years had undoubtedly enormously increased the work, and the Federal Conciliation and Arbitration Act alone provided pretty constant employment for one of their number.

On the 12th of October, the Governor-General expressed his pleasure at being able to release the legislators from their "earnest labours," and to free them for preparations for the coming elections. He was congratulatory over most of their work, especially dwelling upon a number of inchoate movements by which the great question of Defence was to be translated from theory into practice. He deplored the failure of the proposals for adjusting the financial relations with the States, the delays which left the selected seat of Government still undefined, and the fate of the Bounties Bill. He referred to the important Imperial Conference about to be held in London, to which the Prime Ministers of all the self-governing Dominions had been summoned; and also to a concurrent Navigation Conference, which it was hoped would bring the navigation laws of the Empire into unity.

Mr. Deakin pronounced a graceful eulogy on several Members, whom it was known would not appear in the next Parliament; complimented the Speaker and the Chairman of Committees on their invariable display of courtesy and impartiality; thanked the Labor Party for their ample and generous support; and specially emphasised his admiration for their Leader, Mr. J. C. Watson. And in this apparent atmosphere of peace and goodwill, the curtain was rung down on the second Parliament of the Australian Commonwealth.

CHAPTER IX

THE GENERAL ELECTION OF 1906—THE COLONIAL CONFERENCE OF 1907

THE General Election, which took place on 12th December, 1906, was, from a party point of view, very unsatisfactory. No less than 23 Members (including eleven Victorian), who had taken farewell of Mr. Speaker, failed to enter the new House of Representatives, and ten Senators out of the eighteen seeking re-election were rejected in favor of new men. With the exception of Messrs. Higgins and Isaacs, who had gone up higher; of the honest and experienced Allan M'Lean, who was sacrificed by the apathy of his constituents; and of the careful and conscientious ex-Treasurer, Sir George Turner, whose broken health compelled his retirement, it can hardly be said that the non-appearance of the remainder of the 43 disinherited ones was a matter of very serious moment. They were replaced by new aspirants for political life, amongst whom half-a-dozen or so gave promise of good service, and the remainder of the rank and file were probably equal to the average of those they had displaced.

In the Senate there was some gain for the Constitutional Party by the addition of four Anti-Socialists, who, with an increase of one member added to the Labor Party, replaced five Senators who had supported Mr. Deakin's Government in the last Parliament. New South Wales and Queensland returned no Labor Senators, Victoria and South Australia only one each. The hold which the caucus had obtained on the Senate would have been reduced almost to vanishing point but for the fact that Western Australia sent in the whole three of her contingent pledged to the Labor platform. The revised Senate contained eighteen Anti-Socialists, fifteen Members of the Labor Party, and three Ministerialists.

Considering the many changes in the personnel, the alteration in party strength in the House of Representatives was trifling. The Anti-Socialists and the Labor Party were each one vote stronger, gained at the expense of the direct Ministerial supporters. But the conditions were even less favorable for useful work than in the old House. Nominally there were 17 Ministerialists, 26 Labor Members, and 32 Anti-Socialists. The latter party, however, though firmly united to resist the efforts of the Labor Socialists to concuss the Government, were not united in the sense of a direct Opposition. A considerable section of them sat in the Opposition Corner, and owned no allegiance to Mr. G. H. Reid or any other leader. Many of them were Protectionists after Mr. Deakin's own heart, and though they would not enlist under his banner, because they considered him too acquiescent to Labor domination, they would support him to the verge of prohibition on their favorite theories. Their views were incompatible with tendering allegiance to Mr. Reid; hence, they practically formed a fourth party, and at times so complicated the tangled proceedings as almost to obliterate party lines. In the great struggle over the revision of the Tariff, which was impending, the inconsistencies in voting, the deferring of principle to expediency, and the hasty compromises, speak volumes for the disorganisation of the Chamber, and the absence of well-defined lines of responsibility.

It is needless to tell the story of the elections in detail. The Labor Party—commonly defined by their opponents, with perhaps hasty generalisation, as the Socialists—were certainly more restrained in their utterances than they had been in 1903. Generally, they were content to preach the nationalisation of “monopolies” instead of all “the means of production, distribution, and exchange,” as formerly advocated. They put up Labor candidates against Mr. Deakin and his friends with as much readiness as against Mr. Reid. They miscalculated their strength in Queensland, which had once been their stronghold, and suffered heavy defeat. South Australia and Tasmania were also adverse to their cause. But they carried all their

nominations in Western Australia; while in New South Wales, owing to a most deplorable outbreak of sectarian animosity, in which Mr. Reid's party became involved, they gained at least three seats without any reference to the merits of the candidates. Except in the case of New South Wales, the elections were conducted with more moderation than had been displayed in the previous appeal to the people. Of course, there was much intemperate denunciation, much gross misrepresentation, equally distributed over Mr. Deakin and Mr. Reid. The manifestoes of the Political Labor Councils were, as a rule, most insulting to the Prime Minister, without specifically attacking his general policy. It was the direct Opposition that charged him with advocating a graduated land tax, and probably an income tax, superimposed upon the existing State taxes. The one great discreditable blot on the last election remained unreformed. The people, as a whole, were beginning to tire of the tedious wrangling over party interests that had for six years blocked the progress of measures urgently demanding a settlement. Their discontent took the form of apathy. Less than one-half of the electors on the Federal rolls took the trouble to record their votes.

On the 20th February, 1907, the third Federal Parliament was called together for the shortest session on record, lasting only two days. The business was practically automatic. Members were sworn in. Lieut.-Colonel Gould was elected President of the Senate in the place of Sir R. C. Baker, who had retired from politics. The Speaker of the House of Representatives, Sir F. W. Holder, was re-elected with unanimous approval, and the Governor-General read a brief speech, which outlined no present work, but promised to call them together as soon as a number of important measures were ripe for discussion. The "Address in Reply," though there was little to reply to, gave opportunity for some Senators and Members to discourse on things in general, and, had they so desired, the proper opportunity for challenging the Government. No one was ready, however, to take that step, and after a few hours of verbal sparring between the Prime Minister and the Leader

of the Opposition, the Address was carried amicably; the Sessional Committees were appointed, and the House adjourned, to be prorogued by proclamation two days later.

The only political issue of any moment in this brief sitting was disclosed in Mr. Deakin's speech, wherein he submitted a series of resolutions, setting forth the objects which it was proposed to submit for the consideration of the Imperial Colonial Conference about to be held in London. Their acceptance by the House without a division was held to imply that at the Conference Mr. Deakin might be fairly said to represent Australian aspirations, though, of course, the fact that his following in Parliament did not represent a majority, was freely used to controvert that claim. In reviewing the proceedings at the Conference, it is necessary to bear these resolutions in mind, and they are therefore set forth here in summarised form:

1. That it is desirable to establish an Imperial Council, to consist of representatives of Great Britain and the self-governing Colonies, chosen *ex-officio* from their existing administrations. The objects of such Council shall be to discuss, at regular conferences, matters of common Imperial interest, and to establish a system by which members of the Council shall be continuously kept informed in regard to matters which have been or may be discussed. Provides for a permanent secretarial staff to collect information and conduct correspondence.
2. That this Conference recognises that in the present circumstances of the Colonies it is not practicable to adopt a general system of Freetrade as between the Mother Country and the British Dominions beyond the seas.
3. That with a view to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of Great Britain.

That such preferential treatment be also granted to the products and manufactures of other self-governing Colonies.

That it is desirable that the United Kingdom grant preferential treatment to the products and manufactures of the Colonies.

4. That it is desirable that the Colonies should be represented on the Imperial Council of Defence, and be authorised to refer to it for advice any local question as to which

expert assistance is deemed desirable. That the provisions of the Naval Defence Agreement 1902 be reconsidered.

5. That the Imperial Government be requested to take the necessary steps for the revision of commercial treaties which prevent preferential treatment being accorded to British goods carried in British ships.
6. That the Secretary of State for the Colonies be invited to arrange opportunities for the members of the permanent staff of the Colonial Office to acquire more intimate knowledge of the conditions of the Colonies with whose business they have to deal, whether by appointments, temporary interchanges, or periodical visits.
7. That in order to encourage investment in Colonial bonds, it is desirable that the stamp charges imposed in the United Kingdom should be reduced.
8. That in view of the probable completion of the Panama Canal, it is desirable that all possible means of strengthening British interests in the Pacific should be adopted.
9. That it is desirable to encourage British emigrants to proceed to British colonies rather than foreign countries, and that the Imperial Government be requested to co-operate with any Colonies desiring immigrants in assisting suitable persons to emigrate.

The remaining resolutions set forth that the Commonwealth desired to have the profit on silver coined for circulation in the Australian Colonies; wanted a Royal Commission appointed to consider the advisableness of establishing a system of decimal coinage, and the metric system of weights and measures, applicable to the whole Empire; and desired a validity of the same extent given to all Patents of a specified standard of value. The concluding resolution was of importance, as indicating an idea to coach the Home authorities:

That the Imperial Government be requested to prepare, for the information of the Colonial Governments, statements showing the privileges conferred and the obligations imposed on the Colonies by existing commercial treaties; and that enquiries be instituted in connection with the revision proposed in Resolution No. 5, to ascertain how far it is possible to make those obligations and benefits uniform throughout the Empire.

When the echoes of the peroration of Mr. Deakin's speech died away, only two Members ventured to prolong the debate. The Prime Minister's commission was ratified, and he sailed for

England to take part, with other representatives of Greater Britain, in the Councils of the Nation.

The proceedings of this most important Conference were published in full by the British Government, and fill an imposing folio volume of 622 pages. The contents are of great historical interest, and the necessity for such an authoritative report was shown by the garbled and distorted versions of some of the proceedings which were cabled to Australia.

The opening of the Conference in London on the 15th April was auspicious in its surrounding, and evoked much enthusiasm in the English as well as the Colonial Press. The Secretary of State for the Colonies, the Earl of Elgin, presided, and the Prime Ministers of Canada, Australia, New Zealand, Cape Colony, Natal, and the Transvaal were present. The Premier of Newfoundland was delayed, but he joined the Conference on the 20th inst. At the initial meeting there were also present the British Prime Minister, Sir H. Campbell-Bannerman, and four Members of his Cabinet, together with the Under-Secretaries and permanent heads of the Colonial Department.

The address of welcome, delivered by Sir H. Campbell-Bannerman, was admirable in form and genial in tone. He fixed the position of the Conference in a few words by saying that it was not a conference between the Colonial Premiers and the Colonial Secretary, but between the Premiers of the self-governing Dominions and the Imperial Government, under the Presidency of the Secretary of State for the Colonies—a very different thing. On questions of Military Defence, the Secretary of State for War would freely confer with them; on Naval Matters they would have the hearty assistance of the First Lord of the Admiralty; on the important matter of Immigration the President of the Local Government Board, Mr. John Burns, would place his services at their disposal; while in matters of Finance and Commerce the Chancellor of the Exchequer and the President of the Board of Trade would attend to express their views.

Each of the visiting Premiers responded in congratulatory periods, and Mr. Deakin took the opportunity to urge that the

utmost publicity should be given to the discussions, as the results were eagerly looked for in the oversea Dominions. It was remembered that the transactions of the conference in 1902 had been only very briefly summarised, and had led to many erroneous deductions in the Colonial Press. In arranging for the proceedings of the Conference, claims were put forward for more recognition of some Colonial Ministers who accompanied their Prime Ministers, and who desired to take part in the debates. Lord Elgin pointed out that this privilege had been absolutely refused at the previous conference, not by the British Government, but on the motion of one of the Colonial representatives. After some discussion, in which the principle of one Government, one vote, was affirmed, he said:—

I would suggest, as a possible solution of the matter, that if all Ministers from the Colonies are recognised as full members of the Conference, with the full right of entry to this room, it should be understood that the Prime Ministers have the assistance, for the purpose of a debate, of the one Minister interested in the subject, and that the others, though present, should not intervene. I only suggest this as a possible solution, in order to keep the numbers of the Conference within bounds.

The matter was accordingly settled on this basis. Unfortunately, however, Sir Wm. Lyne, who was not present during this discussion, caused considerable unpleasantness on the third day of the sitting by demanding of the Chairman in an aggressive manner what his position was at the Conference.

If it is to sit and listen (he said), I might as well be somewhere else. I understood we were to be full members of the Conference, but I did not feel I was so yesterday. . . . I am present; my mouth is shut. I have to take all the responsibilities of what takes place here, and I do not feel at all disposed to do it under those conditions.

This incident was tactfully smoothed over by Lord Elgin, and the complaining Minister was found a place by the side of Australia's chief representative.

The resolutions for discussion were not taken in the order in which Mr. Deakin had laid them before his Parliament, and, indeed, there were others added, making 21 in all. The most important, that dealing with the desirability and the Constitution of periodical Imperial Conferences was taken first. The

original suggestion for the establishment of a permanent Imperial Council, dear to Mr. Deakin's heart, was soon found to lack supporters, and was not pressed. The main question which demanded settlement was the machinery by which the results of these conferences could be kept in a healthy state of fruition during the four or five years' intervals of meeting. To this end, the formation of a permanent Secretarial staff was proposed, and the controversy arose as to the control of such an establishment. Mr. Deakin sought to sever this body altogether from the Colonial Office, to make it practically a new Department, under the British Prime Minister. He went so far as to suggest that the Colonial Office should be reduced to its original status of looking after the Crown Colonies, and that the Colonial Secretary of State should not intervene between the self-governing Colonies and the Prime Minister. There did not seem much hope of unanimity for so important a step, and Lord Elgin, after having referred the matter to the Cabinet, declined to create an entirely new bureau. He said that it must be left to each Government to decide in what way it is most convenient to divide the business which is to be put upon it. He thought if the Conference accepted the assurance of the Imperial Cabinet that it would provide the link desired, with full Ministerial responsibility, they should not debate the question of how, in the opinion of His Majesty's Government, that responsibility should be put in operation. The Cabinet should be allowed a free hand in that respect, especially as, after full consideration, the Prime Minister had decided that he could not undertake the additional duties involved in the direct control of the Secretariate. But Mr. Deakin was not convinced, and continued to press the point with much persistence. He had a deep-seated prejudice against the Colonial Office, arising, as he said on his return, from a conviction that the officials, well trained and well informed as they were, allowed themselves to be influenced by the point of view of the permanence of the Department, and also of the political party for the time being in power, whose policies are necessarily different.

With the exception of that offered by Sir Joseph Ward, the pertinacity of Mr. Deakin did not meet with much support. Sir Wilfrid Laurier and General Botha both sided strongly with Lord Elgin, and the resolution as finally carried provided that future conferences should be held every four years between the Prime Ministers of the self-governing Colonies and the British Prime Minister, the Secretary of State for the Colonies to be an *ex-officio* member, and the Secretariate to be under the supervision of his office.

When the resolution relating to Military Defence was under discussion, the Secretary of State for War, Mr. Haldane, attended, accompanied by the Chief of the General Staff, and other distinguished army officials, and delivered an important address on the recent reorganisation of his Department, which had only an academic interest for Australia. Many valuable suggestions were offered in the course of the discussion, especially in reference to assimilating war organisation throughout the Empire, and of adopting a uniform system of nomenclature. The several Colonies were authorised to refer to the Committee of Imperial Defence for advice on any local questions, and the representatives unanimously approved of the suggested establishment of a General Staff for the service of the Empire.

Curiously enough, the discussion on Naval Defence, which was expected to produce some acerbity, was comparatively brief, decorously polite, and the only item on the programme which did not reach the dignity of a resolution. Several of the English newspapers had declared that Australia was grudging the subsidy of £200,000 a year, which had still some six or seven years to run, and boldly alleged that Mr. Deakin wanted to "break his undertaking." A certain amount of hostile criticism was based upon this assumption, the origin of which was easily traceable to the reckless statements of more than one Australian politician. Lord Tweedmouth, representing the Admiralty, doubtless expected something of the kind, for he early took the opportunity of saying that the British Government did not come to the Conference as beggars; they gladly accepted any help the Colonies were willing to give, but

even if there was a disinclination to give anything, the Government recognised its absolute obligation to defend the King's Dominions beyond the seas to the best of its ability. The only reservation the Admiralty desired to make was the claim to have the charge of the strategical questions involved in Naval Defence, to hold command of the naval forces of the country, and to arrange the distribution of ships in the best possible manner to resist attacks and defend the Empire at large both at home and abroad. He was of opinion that it would be a great assistance if the Colonial Governments would undertake to provide for local service in the Imperial squadrons the smaller vessels that are useful for defence in co-operation with a squadron; also to equip and maintain docks which could be used by His Majesty's ships, and provide coaling and store depots. This was in accord with Mr. Deakin's views for the initiation of an Australian Navy, and he intimated his intention of asking the Commonwealth Parliament to terminate the 1902 agreement, and apply the subsidy direct to coastal and harbor defence. Sir Joseph Ward, who was a party to that agreement, said that New Zealand was not prepared to face the financial responsibility of building and maintaining a local navy. He had the most absolute confidence in the British Navy, and he believed that it should be one and indivisible. New Zealand would increase the subsidy if desired, would man the ships allotted to them, and leave their disposal absolutely in the control of the Admiralty. He was quite willing, however, to assist to release Australia from the agreement which retarded the policy she considered would better suit her interests. After further discussion, Lord Tweedmouth said that as to the relative merits of local submarine defence, or a continued subsidy, the Admiralty would not pretend to adjudicate. The Colonies must decide for themselves; but if they decided for local defence, he thought the submarine flotilla was the best form. Whatever form it took, the Admiralty would be ready with its most cordial help. As far as Australia was concerned, the question was practically transferred to the Federal Parliament, where party controversy jostled it out of sight, until it

was revived in a dramatic manner by the "Dreadnought" scare of 1908.

As Australia was responsible for submitting the resolution relating to Emigration to the Conference, Mr. Deakin was called upon to open the debate. In doing so, he maintained that while emigration was going on, there was an *obligation* on the British Government to direct those leaving its shores to some part of the Empire, and to discourage the emigration of people of British stock to other countries. He found much fault with the existing arrangements. The Emigration Board was feeble and useless. All the Agents-General had voiced that complaint. He said that official circulars, issued by the Emigrants' Information Office, had exaggerated the climatic difficulties of the Queensland sugar-cane fields, with a view to deter farm laborers from seeking free passages to that State. While admitting that the circulars were "sufficiently correct in a general way, as not to be chargeable with wilful misrepresentation," he emphasised his dissent from them by glorifying the occupation of sugar-growing as eminently suitable and salutary for white men. This afforded him an opportunity to vindicate the action of his Government in deporting the Kanakas, and substituting for them "some of the finest specimens of our manhood," whose services during the harvest season commanded from 20s. to 30s. per day. If there was any exaggeration in the Emigration Board's circular, it was fully equalled by the comments of Mr. Deakin. He waxed eloquent on the prosperity of the great sugar industry, but he avoided reference to the fact that it was being kept on its feet by Government bounties, under which fully £1,250,000 had already been paid to the planters, with much more to come.

Mr. John Burns, President of the Local Government Board, said, in reply, that the first part of Mr. Deakin's resolution expressed the line of action of the British Government for at least the last fifteen or twenty years. The further question which had been raised, inviting the Government to co-operate with the Colonies in assisting suitable persons to emigrate, probably involved financial responsibilities which he could not

contemplate. Then he eloquently vindicated the Board of Emigration from Mr. Deakin's charges, and demonstrated the great benefit it had been to the intending emigrant. He showed that the unpopularity of Australia was almost exclusively due to the cabled messages received in England from the local Labor Federations. He challenged Mr. Deakin to find in the whole mass of literature issued by the Department any advice tendered that was not absolutely impartial as between the competing Colonies, and thoroughly reliable as to facts and conditions. His answer was conclusive, and when Sir Wilfrid Laurier said that he saw no necessity for asking aid from the Imperial Government, that Canada managed its own immigration, and was quite satisfied with the result, the debate came to an end, and the purely formal declaratory resolutions were adopted.

The most far-reaching of all the questions to be considered, that of Preferential Trade, was yet to come. It was the third of the resolutions submitted by Mr. Deakin to the Federal Parliament in February, and much was expected from it, though it had failed to obtain support at the conference in 1902, despite the strong advocacy of the then President, Mr. Chamberlain. It was the subject that occupied a longer time, and stirred a warmer discussion, than any other.

It is scarcely possible in this narrative to embody all the contentions of the various delegates, or the sometimes brilliant, but generally defensive, attitude of the members of the British Cabinet. It must necessarily be confined mainly to the claims put forward by Australia's representatives, and it is admitted that the great brunt of the discussion fell on Mr. Deakin, supported not always with very good taste by his colleague, Sir Wm. Lyne.

Mr. Deakin commenced his speech by summarising the attitude of the various conferences on the question, going back to 1887, and reviewing all that had been said by representative men down to the meeting of 1902. From some rather general admissions he assumed that the previous Government (Mr. Balfour's) had believed that the possibility of arranging a

closer commercial union with the Colonies was the prime occasion for holding the present Conference. He said that appeals had been addressed by the members of the Imperial Parliament to the electors of the Commonwealth, urging them to reject candidates who favored Fiscal Preference, upon the ground, *inter alia*, "that there is no offer within your power to make that could compensate us for a tax on our food." He disputed this inference, and declared that a "duty" was not necessarily a "tax," for Protectionist duties in Australia had not raised prices. An elaborate statement to prove that the exporting country had to pay the duty was received coldly, as one of the time-honored fallacies of the Protectionist. He then proceeded to dilate eloquently for a page or two on national sentiment, and to aver that the sole object of Australia's proposals was to strengthen the bonds of Empire, and so forth. He complained that Australia received fair play from no foreign country. Germany and other Continental powers legislated directly against her meats, either frozen or tinned, and other products. Therefore, the chief hope of expanding her exports lay in extending the trade with the Mother Country.

Quoting from returns furnished to him, he said that out of £565,000,000 of Great Britain's imports, he found that, excluding wool, the value of produce imported of a character which Australia could supply was £213,000,000, while the actual import of such goods from Australia was not more than £10,000,000. This showed that the foreigner was obtaining the great bulk of the trade in goods or produce which might be supplied by Australia. It could be cured by "preferential trade and retaliation against foreign countries which penalise our trade." Without some such step, he doubted if the Commonwealth could even retain its present trade. Certain local concessions on railway freights, &c., made with Denmark were already imperilling the Australian butter industry. Could not this be met by giving Australia a preference in the matter, presumably by an import duty on the foreign supply. With some encouragement of this sort, Mr. Deakin found it difficult

to set bounds to his forecast of the future. The export of butter could be doubled; the increase, valued at two millions sterling, would give direct employment to 41,000 persons. The shipments of wheat and flour, now only representing some four millions sterling, could easily be increased four-fold. And for the trade in meat and live-stock, no limit could be put to its possibilities.

It was due, perhaps, to Mr. Deakin's enthusiasm that he overlooked what more prosaic people had noted, which had even been the subject of formal resolutions by Trades Hall Councils, and of deputations to Ministers. It was this. So far from being deterred by want of preference for her products, Australia was shipping every bag of wheat, every carcase of meat, every crate of rabbits, and every pound of butter that could be scraped together much faster, indeed, than they could be spared, if the loud complaints about the high prices exacted for the balance retained for home consumption were justified. The small figures at which the Australian exports to Great Britain stood in these returns was certainly not due to want of preference as Mr. Deakin implied. It was a very high ratio when compared with the available industrial population. It represented prosperous business that had laid the foundation of fortunes for many industrious and enterprising men. But it was little less than childish to talk of expanding it four-fold by any act of legislation. A natural industry that had been proved profitable, and eminently suited to its surroundings, would necessarily expand; but that expansion would depend far more upon the possibility of being able to command labor than upon any financial stimulus which could be extracted from the British taxpayer. Indeed, without the former, the most generous contributions of the latter would have no effect in increasing the volume of trade.

Considering the hopeless character of his undertaking, Mr. Deakin must be credited with putting his claims for Australia in a manner which few men could have equalled. His arguments were persuasive and appealing. He selected his illustrations with felicitous skill, and carefully screened off all

facts that would tell against them. There was a vein of sincerity in much of his rhetorical setting, and he really made it appear that, instead of seeking benefit at the cost of others, Australia was offering to make sacrifices for the good of the Empire. He said boldly that he was not pleading for something which involved sacrifice, but for a mutually-beneficial co-operation. He proposed two courses—increasing the import duties in Australia against foreigners, or, leaving the “free list” available only to English imports, and putting a duty of 10 per cent. on all foreigners; and he mistakenly assumed that either of these courses would increase the volume of British trade with the Colonies by 50 per cent. He felt constrained to offer some explanation of the White Ocean Policy, which had raised such angry feeling in England. He could not defend the paltry limitations which had been introduced into his Preferential Bill of the last session, and he said they certainly did not represent the policy of the Government. The Legislature that passed that Bill had practically got out of hand. But a new Parliament had since been elected, and it had a mandate from the people to revise the Tariff. As soon as he returned to Australia, he would arrange that, in dealing with that Tariff, the Federal Parliament would have such opportunities of showing their intentions in the matter of preference that the Bill, which had caused so much trouble, and had been reserved for the Royal assent, would be unnecessary. He admitted, in reply to Mr. Asquith’s question, that the preferential proposals, made at the same time to New Zealand, had been rejected by the Parliament of that Dominion. The only reason he could assign was that Sir Joseph Ward had not adopted the policy of his predecessor, Mr. Seddon, with whom the negotiations had originally been conducted.

Mr. Asquith, Chancellor of the Exchequer, in reply, made a brilliant defence of the policy of freedom of trade, which he declared was now, after an experience of 60 years, more than ever felt to be absolutely vital to the industrial supremacy of Great Britain. But the Imperial Government had no thought of making any complaint about the protectionist policy, under

which the Colonies—very properly from their own point of view—sought to keep the competition of the British manufacturer out of their markets. It was not proposed even to criticise it, since their fiscal independence had long been recognised.

But (he added) if we have given, as I have shown, complete fiscal autonomy to our Colonies, and if they have made, and are making, the fullest use of that independence in what they conceive to be their own interests, let me say that we retain that autonomy for ourselves, and I do not believe that there is a man here who will dispute not only our right, but our duty to do so. We retain it for ourselves, and just as you, examining the special local conditions with which you have to deal, have come to the conclusion—rightly or wrongly I do not say; that is a matter we must leave to the verdict of history—that for the proper and rapid development of those communities Protection is necessary, or, at any rate, expedient, so we here, having regard to the special conditions and interests of our population, have come to the conclusion that the maintenance of Freetrade in its fullest and widest sense is not only expedient, but absolutely vital to our economic interest.

And in saying this he was not making merely a Ministerial statement, or even a Parliamentary confession of faith, but expressing the view of the whole people, just voiced at a general election. For three years the supporters of Mr. Chamberlain's views had been actively canvassing the electors. No political or economic movement was ever initiated under more glowing auspices, or under a more generally-trusted leader. The controversy practically dominated the platform and the Press throughout the United Kingdom, and at the end of the three years, when the people spoke at the polls, an overwhelming majority condemned any deviation from the path of Freetrade. This was no hurried judgment snatched in a moment of excitement, but a deliberate judgment formed after a most careful and exhaustive presentation of the case. And how could he or any Ministry present themselves in the House of Commons and own that the seductive arguments of Mr. Deakin had outweighed the convictions of a lifetime, buttressed by experience, and shared with the mass of the community. He declared that any such proposition would be rejected by three to one, and proceeded to expose the fallacy, so dear to

Australian Protectionists, that Great Britain was a decaying factor in the industrial forces of the world. He compared the volume of trade in triennial periods, with an interval of 50 years, and found that, while British imports had risen in that time from £169,000,000 to £608,000,000, the proportion of 76 per cent. from foreign countries, and 24 per cent. from British Possessions, had practically remained unaltered. In the same period (1855-1905) the exports of Great Britain had risen from £116,000,000 to £367,000,000, and the proportions to foreign countries 68 per cent., and to British possessions 32 per cent., had also been maintained with remarkable continuity. England's best customer was India, with an annual average demand of £44,000,000. Germany came next with a consumption of British goods to the value of £29,500,000. The Australian Colonies and New Zealand ranked third. British exports to Australia in 1905 were £20,250,000. On that a concession was offered that would affect about 8 per cent. of the total imports. The precise value of the imports affected would be £928,000. If the British exporter captured the whole of this trade, which is unlikely, and if he made a profit of 10 per cent. on it, the gain to the mercantile community would be under £100,000 a year. And what a price is to be paid to acquire the chance of this possible profit!

The Colonies (said Mr. Asquith) are asking us to introduce into our system a set of duties which do not at present exist, and which have no analogy to anything which at present exists, for the purpose, not of revenue, but for ulterior purposes—the purposes of preference. That which is quite consistent with the framework and spirit of a protective system is a flagrant and undeniable departure from the very basis of our principle of Free-trade.

Then the question was pressed as to what the delegates exactly wanted. In round figures the annual imports into Great Britain from all the Colonies totalled £66,000,000. One-half of this was raw material, say, £33,000,000. Food, drink and tobacco accounted for £28,000,000; manufactured articles, about £5,000,000. The latter item was too insignificant to negotiate upon; therefore, any preference to be of real value to the Colonies must be on raw material or food and drink.

Did the representatives of the Colonies desire a discrimination against raw materials? Mr. Deakin said, "What you would give, the kind and form and extent of your preference, was entirely a matter for yourselves; it was not for us to suggest its character." But Sir Wm. Lyne, with a bluntness that must have shocked his chief, voiced a demand for a preference on wheat. This gave Mr. Asquith the opportunity to deal with the results which would befall British industry if the Colonial proposals were accepted. He showed clearly how impossible it was to construct a Preferential Tariff that should be fair and just as between the Mother Country and the several Colonies respectively, or the particular interests of certain Colonies to other interests. He wound up his address with a brilliant and impressive summary of the position, and declared that if he could only create a Preferential Tariff in favour of the Colonies by taxing foreign food and foreign raw materials, he would be curtailing the sources of supply, and raising the price of the necessaries of life, and the necessaries of industry.

In view of the gross misrepresentation and abuse to which Mr. Asquith's Speech was subjected by some of the Protectionist journals in Australia, it is doing him but scant justice to quote in full a few of his concluding words. Having plainly stated the policy of the Government, which had the cordial support of Parliament and people, he said:—

Of course, gentlemen, you will not agree with many of the things I am saying. You think, no doubt, other people are right, and that our economic system belongs to the age of the dodo, or some other prehistoric period. You may think we are all wandering in Cimmerian darkness. But we are 43,000,000 people, still the richest in the world, still not afraid to speak with our commercial enemy in the gate, and convinced that no system of preference, such as you have been advocating with so much ability round this Board, can be adopted in Great Britain which does not involve taxation of our sources of supply, both of food and of raw materials, and a consequent enhancement of the cost of the necessaries of life and of industry, and a corresponding and necessary curtailment in the area and profitableness of the whole of our productive industries. That is our position, and I state it with the utmost frankness, reciprocating the frankness with which you have been good enough to address us; and I am sure you will forgive me if I have used

plain language, and not equivocated or beaten about the bush. That is our position, and that being so, it is impossible for His Majesty's Government, anxious as they are by every means in their power to promote the commercial development, as well as the Imperial unity, of this great fabric, for which we are jointly responsible, to recommend to Parliament any such fundamental change in the fiscal system of this country as would be involved in the adoption of the proposals you have laid before us.

So unfamiliar to Australian journalists is such an attitude of frankness, that Mr. Deakin's partisans could not understand it. They became hysterically abusive, because British statesmen had preferred the interests of the whole country to that of a small section. One daily journal, notorious for its anti-British prejudices, became almost ludicrous in venting its wrath. It said that in refusing the

proposals of the Colonial Premiers, the Campbell-Bannerman Government has forfeited its last shred of right to be regarded as an Imperial Administration. . . . Imperial Ministers, in their narrow, insular way, stand pledged against the larger conceptions of Empire. They are determined to keep on treating the Colonies as aliens, and refuse to give to the other members of the Empire any commercial advantages more than they give to her possible enemies. . . . They were influenced in refusal by the foolish fear that fiscal preference might increase the price of the British loaf; that, and the equally stupid fear of what the foreigner might think. Nothing quite so cynically frank and contemptuous (as Mr. Asquith's address) has been uttered for at least half-a-century.

And in such terms day after day was the position presented to Australian readers by the section of the Press that urged Mr. Deakin on.

Sir Wm. Lyne followed Mr. Asquith at the Conference, and his tone from the outset was most discourteous. He regretted very much that he and "his Prime Minister" had come all the way from Australia to get such a reply from the Government. He got into a tangled mass of irrelevance when he began to enforce his general accusations of Britain's misguided policy by concrete illustrations. He declared that the trade of the British Empire created three times the amount of profitable employment in Germany and the United States that it did in England. With only the slightest acquaintance with the economics of trade, and a very disparaging view of the posi-

tion of Great Britain in the markets of the world, he continued to reiterate his opinion of the stolid stupidity of the British people in clinging to the fetish of Free-trade, while all the intelligent nations of the earth were winning to the front under Protection. To the Prime Minister of the country he is discussing, he says boldly :—

It seems to be a strange peculiarity of the British race that it rarely, if ever, foresees, or is found prepared to meet, those greater emergencies which periodically mark the record of every nation in history. With characteristic confidence, it ignores the most potent warnings, trusting to blunder through somehow or other, absolutely unconscious of any other idea than ultimate success.

He wound up by demanding that the Colonies should not be treated on the same footing as Russians and other foreigners; but, he added, "The speech I listened to this morning makes me think we have little chance of alteration."

This, from the representative of a country where a large section of the Press and people were perpetually demanding legislation to keep out what they commonly called the "products of the sweated and pauper labor of Great Britain," must have sorely tried the patience of the King's advisers. Mr. Deakin had been very downright in claiming what he thought would be beneficial to the Colonies, and he always tried to minimise the injuries which the acceptance of his policy would inflict on the status of Great Britain as the clearing-house of the world. Though at times he was betrayed into very disparaging comments upon the principles for which the majority of the English people stood, he generally made such attacks apologetically, and with much deprecation of any intention of interference. But Sir Wm. Lyne wasted no words in apologetic ornamentation. He was bluntly defiant, and with the narrow provincialism of a man who had never before left Australia, he was ready to denounce anything he did not like, whether he understood it or not.

Mr. Lloyd-George not only exposed his economic fallacies, but showed by incontestable results how Sir Wm. Lyne's gloomy pictures of the distressful and degenerating condition of British trade were mainly the creatures of his imagination.

Had Mr. Lloyd-George been aware of the kind of mental food supplied to Australian politicians by some of the radical Protectionist organs, he might easily have noted that Sir Wm. Lyne's general utterances had done duty as leading articles at the antipodes.

Other lengthy and important speeches were made by Sir Wilfrid Laurier, Mr. Winston Churchill, and Mr. Deakin in reply; but no converts were made, and finally the resolutions in favor of Preferential Trade, as passed at the Conference of 1902, were reaffirmed by all the Colonial Premiers, His Majesty's Government dissenting in so far as they imply that it is necessary or expedient to alter the fiscal system of the United Kingdom. All the Prime Ministers present undertook to submit to their respective Governments the principle of the resolutions, and to request them to take such measures as may be necessary to give effect to them.

Of the other resolutions submitted to the Conference, most of which were dealt with on satisfactory lines, the one which chiefly concerned Australia was that relating to navigation laws as affecting coastwise trade. Mr. Deakin moved the reaffirmation of the resolution of the 1902 Conference, which urged the advisability of refusing the right to coastal trade, including trade between the Mother Country and its Colonies, to countries in which the corresponding trade is confined to ships of their own nationality; and also to consider the laws affecting shipping, to see whether any other steps could be taken to promote Imperial trade in British vessels. Mr. Deakin made out a case for something in the shape of retaliation, and he was strongly supported by Sir Wilfrid Laurier and Sir Joseph Ward, for the shipping interest in Canada and New Zealand suffered great disabilities from American legislation. But Mr. Lloyd-George could not consent to embroil Great Britain in possible reprisals by other maritime countries for the sake of so trivial a gain as was discoverable. The Government had seen no reason for interfering with the small amount of foreign shipping engaged in the coasting trade of the British Isles. The Colonies had already passed such legislation as

they had deemed necessary to protect their coastal trade, and this really did not come within the purview of the Conference. But it was impossible for the Mother Country to consider the question of refusing foreign ships the privilege of trading between British Possessions, or between them and Great Britain. On that point His Majesty's Government must enter their dissent. The resolution was then recorded as approved by the visiting members of the Conference, without the concurrence of the Imperial Government.

On the 14th May, the Conference concluded its business, when Sir Wilfrid Laurier, Sir Joseph Ward, and Mr. Deakin passed graceful eulogiums on the Chairman, Lord Elgin, and expressed "their warm and sincere appreciation of the manner in which he has presided over their deliberations, as well as of the many courtesies they have received from him."

It is well, perhaps, to note here how much more correctly Mr. Asquith had gauged the feeling of the English people on the fiscal question than had his visitors. Within a month of the closing of the Conference, the Labor Members of the House of Commons issued a manifesto declaring that the British working man protested against the absurdities of the contentions of some of the Colonial Premiers. In the name of hundreds of thousands of working men, it denounced in no measured terms the selfishness of the proposals, and the arrogance with which they were advanced. But the general stir which the Conference had aroused seemed to offer Mr. Balfour an opening for a party move. On the 16th July he put up Mr. Lyttleton to move a vote of censure :—

That this House regrets that the Government declined the invitation unanimously preferred by the Prime Ministers of the self-governing Colonies to consider favorably any form of Colonial preference, or measure for the closer commercial union of the Empire on a preferential basis.

An amendment was promptly moved from the Liberal benches :—

That the permanent unity of the Empire will not be secured through a system of Preferential Trade based on the protective taxation of food.

A brief but animated debate followed, in which Mr. Balfour did not shine to his usual advantage. The motion, which the Government said they treated as one of censure, was rejected by 404 votes to 111. When the amendment was put, it was carried without a division, with much enthusiasm.

By the time this aftermath was being reaped, Mr. Deakin was back in Australia, preparing himself for a session of party strife, wherein the debates would not be tempered by the graceful amenities which had generally marked the Imperial Colonial Conference of 1907.

CHAPTER X

THE TARIFF SESSION OF 1907-8

THE return, on 25th June, 1907, of Mr. Deakin and Sir Wm. Lyne from the important Conferences in London was marked by much enthusiasm on the part of the public, and by widely-divergent criticism on the part of the Press. But, however pleasing might be the friendly greetings to the Prime Minister on personal grounds, he certainly required all the support derivable from popular applause to enable him to contemplate with equanimity the task which awaited him when he met Parliament. It is true that in the last brief session he had given every opportunity for his opponents to challenge his Government, and no man had dared. Still, during his absence, there had been time for cabals and stratagems, and some unpleasant grievances were known to be simmering. It was not encouraging to remember that he had but seventeen faithful followers in a House of 75; and though he had hitherto been able to rely on the support of the 26 Labor Members, he had good reason to know that they were angered by the probably exaggerated reports of a too candid speech which he had made about them at a banquet in London, where reporters were not supposed to be present. A great deal had been made of this slip, which practically amounted to an assurance to British capitalists that they need be under no fear for the safety of their Australian investments, since the Labor Party, whose threats against capital had caused so much unrest, were really "in deep water," and not likely to come into power. Mr. Deakin had vehemently denied the accuracy of the report; but the Labor papers refused to accept his explanations, and the sting rankled.

But the position had to be faced, and Parliament was called to business on the 3rd of July, the Governor-General outlining for it a very full programme. Congratulations were offered on the results of the Imperial Conferences, and on the condition of general prosperity prevailing throughout the Commonwealth. The urgent matters requiring attention were indicated as a revision of the Tariff, passage of the Bounties Bill, and a Judiciary Bill, which would define the somewhat confused conditions which at present affected appeals to the Privy Council. The federalisation of Old-Age Pensions was thought desirable. Several old friends were again recommended for settlement, which they had no chance of achieving. These included the financial relations between the Commonwealth and the States, the appointment of a High Commissioner, amendment of the Commonwealth Electoral Act, and a definitive settlement of the seat of Government. Other measures commended which failed of fruition were the fixing of uniform postal rates throughout the Commonwealth, a Navigation Bill, and a Defence Bill, all of which lapsed when the session ended. Probably it was only an accidental sequence that caused the paragraph announcing the satisfactory deportation of the Pacific Islands laborers from Queensland to be followed by one announcing that the Government had provided the means for repatriating 1500 Australians who did not find the conditions of labor in South Africa to their liking.

The discussion which ensued on the "Address in Reply" was animated, and extended over more than a week. Unfortunately, Mr. Deakin was laid aside by illness, and was unable to attend the House. He had, however, intimated through Sir Wm. Lyne that he hoped Members would not, out of any regard to that circumstance, restrain their comments upon his actions, or the policy of his Government. It cannot be said that those in Opposition did so, though most of the speakers preluded their remarks by regretting the absence of the leading figure they were about to censure. Mr. G. H. Reid, Mr. Joseph Cook, and Mr. Bruce Smith in the House of Representatives provided the largest share of the discussion. Their denunciations of

the conduct of the Conference, the subservient attitude of the Government to their Labor supporters, the mail-contract muddle, and the continued neglect shown to pressing matters requiring legislation, were not couched in apologetic terms. Sir Wm. Lyne was at a disadvantage, as the severest indictments of his absent chief came after he had spoken. Mr. Watson, on behalf of the Labor Party, did not attempt to answer the taunts respecting their control of the Government, so freely made by Mr. Reid and others. Reading between the lines, his speech, and the comments of other members of his party, seemed to imply that it was their policy to keep the existing Government undisturbed until the Tariff question was finally disposed of. That settled, with generous concessions to the principles of the New Protection, and the establishment of Old-Age Pensions, other questions might arise calling for other treatment. It would be useless at this time to resuscitate the many severe things that were said; but it is noticeable in reading the debate, that practically no attempt was made by Mr. Deakin's supporters to answer charges which, had he been present, would certainly have brought him indignantly to his feet. There was some dismay on the Government Benches, there was angry irritation in the Labor Corner; but the Address was finally adopted, without a division, on 11th July.

During this protracted session which, with a very brief interval at the New Year, lasted from the 3rd of July, 1907, to the 5th June, 1908, nineteen Acts were placed on the Statute Book, irrespective of the temporary ordinances connected with appropriation and supply. Of these nineteen Acts six were little more than machinery measures, dealing with such subjects as Disputed Elections and Qualifications, Compensation to Retiring Officers, Publication of Parliamentary Papers, and taking over the control of Quarantine. Three more were technical amendments of existing Acts relating to Customs and Excise, and the Preservation of Australian Industries. All the foregoing, though necessary in their degree, were practically unimportant, and could have been easily dealt with in a week by a House under proper control. The remaining ten

Acts, which constitute the year's work, require fuller treatment.

The Bounties Act, which occupied so large a space in the debates of this session, had been accepted in principle by the previous Parliament in 1906. The delay in arriving at finality was due to the fact that so many Members had pet industries which they desired to help into importance at the public cost, that the list of things which required financial nurture for their cultivation threatened to be interminable. The discussion as to the special articles to be benefited, and the amount to be allotted, extended over four months. The announcement of the final decision has been anticipated in a previous chapter.

The Commonwealth Salaries Act was a measure to give legal warrant for the collection by the States of income tax from officials and Members of the Commonwealth Parliament while residing in, or representing, the States where such form of taxation prevailed. The liability to pay income tax had been contested on the ground that it was an interference by the States with the power of the Commonwealth, and inconsistent with the Federal Acts under which the salaries were paid.

The "Judiciary Act 1907" was an amendment of the Act of the previous year, the necessity for which had been shown by the actions and counter-actions, and appeals, which had arisen out of the claims for income tax from Federal officials and politicians. These had dragged on for two or three years through State Courts, the High Court, and the Privy Council, with very unsatisfactory results. The passing of this Act took away the right of appeal to the Privy Council on any Constitutional questions either between the Commonwealth and the States, or between one State and another. It established the Australian High Court as the final arbiter on all matters relating to the Constitution; but it left it in the power of that Court to grant special permission to appeal to the Privy Council if it chose to do so.

The Kalgoorlie to Port Augusta Railway Survey Act represented the fulfilment of promises that had figured in Governors' speeches from the opening of the first Parliament in May, 1901.

The isolated position of Western Australia, its vast mineral resources, and comparatively small population, demanded a friendly regard to its appeal for closer union with the eastern States. In the hands of Sir John Forrest, the demand almost assumed the form of a threat. He was a man of insistent personality, and he thought in large ideas. He had ruled supreme in Western Australia for many years, and was not one to be recklessly opposed. In the face of the most gloomy prophecies of failure, he had successfully carried out an admirable scheme of water supply to the Goldfields of his State over an intervening stretch of desert. It was not easy to daunt him, but he chafed under the petty character of the opposition to his great railway project. All forms of the House were resorted to for securing delay and postponement, though, when matters were pressed to a division, the discontented were generally but a small minority. Yet they had succeeded for years in blocking the proposed expenditure for a preliminary survey of the route. Most of the newspapers in the eastern States and Tasmania were bitter opponents of the proposal. Having dubbed it "the Desert Railway," they sought to ridicule it out of existence. There was certainly no other man in Parliament who could have stood up like Sir John Forrest did against the hostility of the Press, the direct attacks and covert sneers of his political opponents, and the cheapening shrugs of friends, and have come out triumphant. It is true that the line was not authorised by this Act; but £20,000 was secured for its survey, and Sir John knew enough of national progress to be quite sure that after a couple of years spent in surveying the country, the demand for the railway would be irresistible.

The Parliamentary Allowances Act, which was one of the early measures of the session, aroused more indignant protest outside of Parliament than within the Legislative Chambers. It was not so much the question of the amount involved by the increase of £200 a year, though it added £22,000 to the annual cost of Parliament. It did not even take the form of appraising the services of individuals seeking a more generous

recompense for themselves. This was a question fairly open to discussion, though surrounded with difficulties. There were men in Parliament to whom the £400 a year was a negligible factor in their income. There were professional men to whom it represented but a tithe of the actual loss they sustained in neglect of their business while serving their country. On the other hand, there were those to whom it stood for their entire means of subsistence. To the Labor man, who, in his ordinary work, was passing rich on £5 or £6 a week in remote Queensland or Western Australia, it was rather a hardship to be kept in Melbourne the year round for an extra £2 a week. Cut off from the economies of home life, compelled to live at hotels, and to incur unfamiliar expenses, he was doubtless worse off than he would have been had he eschewed ambition, and remained one of the working bees of the community. If his services were of real value to the country, they should be paid for with a liberal hand. But Solon himself would hesitate to undertake the invidious task of justly appraising the article. It might be possible to differentiate, by some special allowance, between the claims of Members living on the spot and the necessities of those who travel thousands of miles to be present; but the difficulties are great, and Parliament prefers a surface uniformity. However, it was not this side of the question that stirred public indignation. It was the disingenuous manner in which the whole proceedings connected with the Act were carried through, the unseemly haste to secure finality before there was opportunity for protest, and the fact that Members who had so recently been elected at £400 a year had no right to alter their contract without consulting the electors.

In the regretted absence of Mr. Deakin, the management of the House devolved on Sir Wm. Lyne as Acting Prime Minister. He had just transferred himself from the office of Trade and Customs to that of Treasurer, vacated by the resignation of Sir John Forrest. The control of the Treasury afforded abundant opportunity for placating the Labor Party, and consolidating their support, which had recently shown signs of weakening. There were conferences, and understandings

were arrived at which took shape, with dramatic suddenness, on the motion for the adjournment of the House on the 13th August. In reply to a question from Mr. Crouch, the Treasurer said he intended on the following day to bring down a message from the Governor-General, recommending a Bill for increasing Members' salaries from £400 to £600 per annum. He stated that it had not been discussed in Cabinet, as some of his colleagues thought that no reference to the proposal having been made in the Governor's Speech, it could not be made a Government measure. He cited a supposed precedent in New South Wales, when Sir Henry Parkes had allowed one of his Ministers to bring in a private Bill to provide for payment of Members of the Legislative Assembly there.

In this particular case (he said), I wish it to be clearly understood that it is not a Ministerial matter. Honorable Members will vote as they like, as it is no Party question. I shall test the feeling of honorable Members, but I am not going to make this a Government question. If they desire me to bring down a message and a Bill, I shall do so to-day. If they do not want me to do anything, let them say so.

In reference to the use of the words "to-day," it is to be noted that the brief announcement was made after midnight on the 13th August. The question was promptly resolved in the affirmative, and when the House reassembled in the afternoon of the 14th, it was buzzing with excitement. The Treasurer was irritable under the strain, and when he was asked by Mr. Wilson if the Prime Minister had approved of the proposal, he declined to answer, and stigmatised the question as "most impertinent." The proposed appropriation of revenue for the purpose, which was submitted in Committee of the whole House, was promptly repudiated by Mr. W. H. Irvine as at variance with precedent, repugnant to the principles which guide Cabinet procedure, and destructive of the safeguards provided for the protection of the public revenue. Apart altogether from the merits of the salaries question, he contended that no proposal involving an increase in the burden of taxation could be left to be dealt with by a private Member; therefore, the Government ought to assume responsibility for

the Bill. But in this case, "where substantial additional emolument was proposed to be voted to themselves, not even the Government was justified in bringing it forward until the country had been given a fair opportunity to express an opinion."

The Treasurer, quite unable to answer the arguments of Mr. Irvine, fell back on a defiant attitude of negation, refusing information, and taking his stand on the supposed precedent of Sir Henry Parkes. He did not enjoy that refuge long, for Mr. Bruce Smith, who had been a Member of the Parkes Ministry at the time of the transaction relied on, showed conclusively that the construction put upon it by Sir Wm. Lyne was entirely erroneous. Pressure was brought to bear by Mr. G. H. Reid, and several other Members, to induce the Minister to deal with the matter on Constitutional lines, but he remained obdurate. Repeated questionings, which he evaded for a long time, at length drew from him the admission "that if the Prime Minister were here he would vote for the proposal. He has told me that he would, and I believe that in what I am doing I am acting as he would have me act." Mr. Watson, the Labor Leader, spoke very temperately in favor of the purpose of the Bill; but even he regretted that the Government had not boldly adopted it. His lieutenant, Mr. Hughes, gave it a much fiercer support. It certainly was rather an anomaly to have a Bill brought in by the Acting Prime Minister and the Attorney-General, in response to a message from the Crown, and to receive from its sponsors an emphatic assurance that it was not a Government measure. This seemed to justify some of the depreciatory expressions used about it in the debate, such as subterfuge, wriggling, underhand procedure, &c. Immediately after its introduction, Sir Wm. Lyne moved the second reading forthwith, but was compelled to postpone it until the next day. Attempts were then made unsuccessfully to reduce the amount to £500, to refuse the increase to all Victorian Members as long as Parliament sat in Melbourne, and to provide that, in cases where Members conscientiously refused to take the increase, it should revert irrevocably to the

consolidated revenue. But there were some amendments made. Mr. Joseph Cook carried one, abolishing the very improper retrospective clause, and making the increase date from the passing of the Act. Mr. Wilson succeeded in eliminating the increase from the salaries of Ministers and the political officers of Parliament, while drawing the emoluments of their official positions. The division, considering the personal character of the question, was not quite exhaustive. In the House of Representatives there were, including pairs, 39 votes in favour to 22 against. Eliminating the Speaker, the Chairman of Committees, and Mr. Kingston, who was on a sick bed in Adelaide, there remain eleven votes unrecorded. Of these, seven were New South Wales Members, two of Queensland, and one each from Western Australia and Victoria. Considering that it was persistently declared not to be a Ministerial measure, it is interesting to note that every Member of the Ministry voted for, or paired in favor of, the Bill.

The Bill did not come before the Senate until the 21st April, when the debate on the Constitutional aspect was opened by Sir Josiah Symon with much vigor; but the second reading was carried by 21 votes to 13, leaving only two votes unrecorded. In Committee, Senator Symon made an effort to delay the operation of the Act until after the next general election, but his amendment was rejected by 21 votes to 11. Other amendments were rejected without a division, and the debate, which occupied only a few hours, terminated the same day with the adoption and report. It received the Royal assent on 28th August.

Considering the personal interest involved in the discussion, it must be admitted that a good deal of restraint was manifested in its conduct. There was a distinct preponderance of belief that in many cases the pay of legislators was inadequate. It is more than probable that, had the increase been discussed prior to the recent elections, the people would not have refused to grant it. But the form which it took, and the hurry to rush it through, roused a wide-spread feeling of antagonism. Protests from crowded public meetings, and from influential

representative bodies, poured in from all parts of Australia. But they could not cope with the Treasurer's celerity, being contemptuously ignored by him, and ascribed to "only the hysteria of the Press." The effect was to leave a strong feeling of angry disapproval in the public mind. Perhaps nothing accentuated this more than a comparison of the prompt action in this case with the exasperating delays that had marked legislative dealing with matters of less personal, but far greater national moment.

The Old-Age Pensions Act, though it was the work of the last weeks of the session, had often been mooted previously. It was felt that if the two populous States of New South Wales and Victoria had considered the expression of such beneficence a public duty, the other four States were philanthropically derelict. But to extend the benefits from Cape Leeuwin to Cape York would mean a Federal expenditure of at least £1,500,000 sterling. Though there was a full exchequer, and a continually-swelling revenue, the incubus of returning to the States all of that revenue beyond the current Federal expenditure was a bar to the accumulation of the necessary funds for initiating the pensions. As far back as October, 1904, the House had appointed a Select Committee to enquire into the best means of establishing and financing the proposal. This body, converted into a Royal Commission, had, after eighteen months' incubation, brought up a report in February, 1906. Mr. Deakin had declared himself in favor of its recommendations, but he desired a more definite financial basis for carrying them out. He claimed to have had these payments in view when he introduced his Special Duties of Customs Bill, which failed to pass the Senate. He assumed it to be a question on which some understanding with the States must first be arrived at. He had failed at the last Premiers' Conference to get this understanding, and seemed content to do nothing until the expiry of the Braddon clause in 1910. On the 3rd October, 1907, Senator Dobson initiated a very lively and informative debate by moving that in the opinion of the Senate the "Government should, as soon as convenient, introduce a Bill

providing for a compulsory scheme of life insurance, old-age pensions, and sick allowance, based upon contributions from both employers and workers, with such subsidies from the Commonwealth as will make the scheme financially sound." It would have been impossible to put the case for the contributing form of the scheme more clearly and forcibly than was done by Senator Dobson, but his hearers showed by frequent interruptions that they were hostile to any academic treatment of the question. When the matter came up again after a month's interval, the real interest was obscured by an acrimonious dispute about the value or otherwise of a report which had been made on the subject by Senator Neild some years previously, and nothing resulted.

In the other House, the Labor Members chafed under the prolonged delays of the Ministry in dealing with a matter which in Governors' speeches and on public platforms they had declared to be of prime importance. Failing to coerce the Government into action, they took the matter into their own hands, doubtless foreseeing that success in dealing with it would be a trump card in their next electoral programme. On the 19th March, 1908, Mr. Fisher, who had succeeded to the Leadership of the Labor Party, moved a resolution to the effect that, the electors having thrice returned a large majority of Members pledged to provide a Federal system of Old-Age Pensions, the House was of opinion that the passing of a measure to give effect to the expressed will of the people was an urgent public duty. The speech in which he supported his motion was temperate and telling, albeit he said some severe things about the attitude of the States towards the subject. When he was called upon by interjections to say how the money was to be provided, he wisely replied that if he formulated the scheme he would be accused of dictating to the Government. His contention was that such a measure had been demanded by the people on grounds of common humanity, had been promised by the Ministry, and should not be neglected another day. The Prime Minister was suave and approving. He thanked Mr. Fisher for the courteous intimation of his inten-

tions, assured him of the Government's hearty support, and even admitted that the motion had only anticipated by two or three weeks the action of the Government in this matter. Still, it was a question necessarily bound up with the readjustment of the financial relations of the Commonwealth to the States. He was rather vague as to what could be done until the Conference of Premiers, about to assemble, could be talked with. He saw no reason why the motion, which was only a general declaration of an admitted fact, should not be carried unanimously, and he promised to submit, within a month, practical financial proposals which would give effect to the desire of the people.

But this amiability satisfied no one. The debate went on at first with some promise of satisfactory result, but after a while, probably out of pure weariness at the ceaseless iteration of arguments which no one wanted, it degenerated into a wrangle between the Government supporters, the direct Opposition, and the Labor Party, not so much over the principle of Old-Age Pensions, or even the method of financing them, but largely as to which party was most to blame for not dealing with the matter introduced to their notice four or five years before. There was a fervent declaration by a Mr. Frazer that a Ministry unable to provide for Old-Age Pensions prior to the expiry of the Braddon clause did not possess the confidence of the House. But Mr. Deakin declined to be drawn. It seemed rather deplorable that so much party feeling should have been introduced into a debate in which there was really unanimity of desire. The motion was carried, after one or two divisions on amendments, with an addendum requiring the Ministry to take the necessary steps "during this session."

Accordingly, on the 3rd June, the Attorney-General introduced a Bill for the purpose, estimating the cost at £1,500,000, exclusive of provision for "invalid pensions." This additional outlay was treated as a contingent claim, to be called into force by proclamation at some future time. The Bill provided that all persons who had attained the age of 65 years, or who, being permanently incapacitated for work, had attained the age of

60, should be qualified to receive a pension of £26 per annum, subject to conditions. These were that the recipient must have lived at least 25 years in Australia, a term which was, however, reduced by an amending Act in the following session to twenty years, must be of good moral character, and must not possess private property exceeding in value £310. The contribution by Government was to be reduced ratably with regard to the private income of the pensioner, so that the amount from both sources should not exceed £52 per annum. A few unimportant amendments were made in Committee, the general aim being to eliminate or modify those clauses which gave an aspect of charity to the pensions. The financial provision, which had hitherto been the main source of contention, was simplified by the recent passing of the Surplus Revenue Act, expected to provide half the amount required, and to enable operations to commence in July, 1909. Of this enabling measure it is necessary to give some particulars, because its passage by the aid of the Labor Party has always been claimed as entitling them to the credit of making Old-Age Pensions a feasible scheme a year or two earlier than it would have been if left to Government initiative.

The Surplus Revenue Act was submitted by Sir Wm. Lyne for the second reading on 31st March, 1908. Briefly, and in non-technical language, it was intended to enable the Federal Parliament to retain, under its own control for anticipated purposes, some portion of the unexpended fourth of the revenue allotted for Commonwealth uses. It will be remembered that the Constitution Act, by Section 87, declared in explicit terms that for the first ten years after its establishment "the Commonwealth shall be limited in its use of the revenue derived from Customs and Excise duties for its own expenditure to one-fourth of the sum collected."

Other sections dealing in detail with the revenue require the Federal Treasurer, after deducting "expenditure incurred," to pay over the balance to the States monthly. The effect was to leave him with an empty till at the end of each month, dependent upon uncollected revenue to meet prospective liabilities.

ties already incurred. But Section 95 seemed to offer relief, since it provided that, after five years of uniform duties, Parliament might make laws for distributing the surplus revenue among the States "on whatever basis Parliament may deem fair."

In a carefully-prepared speech, fortified by official returns, Sir Wm. Lyne began by showing how generously the financial phases of the Constitution had been observed by the Government. Up to the close of the fiscal year 1907, the States had been paid £5,728,114 in excess of the three-fourths of the revenue to which they were entitled. He did not hesitate to say that this unexpected addition to their resources had engendered extravagance in the States, while starving the work of the transferred departments in the Commonwealth. This was notoriously the case with the Post Office. The Treasurer's proposal was to set aside, out of the surpluses hitherto returned to the States, £250,000 towards the cost of Naval Defence, and £220,000 as the nucleus of a fund for Old-Age Pensions, to be increased until it should be sufficient to justify the Commonwealth in undertaking that responsibility, perhaps, in a couple of years' time. After making this substantial reduction, the Treasurer declared that the States would receive for the year £261,000 more than their statutory three-fourths. There was considerable opposition to the Bill, Sir John Forrest leading off, and being followed by the principal speakers of the direct Opposition. Their dissent was based on the proposed diversion of the surplus as at variance with the definition of the power given by the Constitution. Necessarily, the burden of the argument fell upon the shoulders of the legal Members of the House, by whom it was discussed with much animation. To the ordinary layman it seemed to turn upon the question whether an "appropriation" for some future requirement could be called an "expenditure," in keeping with the wording of the Constitution Act. In any case, all the speakers were specially desirous of repudiating any intention of doing anything likely to retard the payment of pensions, but were equally emphatic in declaring that the funds should be legally provided. That

there was reasonable grounds for such a conflict of legal opinion was shown afterwards by the fact that in October following the State of New South Wales brought an action in the High Court to recover its share of the diverted surplus. The unanimous decision of the Full Court settled the question. The Chief Justice said:—

It was entirely in the discretion of Parliament, when authorising the expenditure of the public revenue, to fix the period during which it might be disbursed. It followed that if a sum of money was lawfully appropriated out of consolidated revenue for a specific purpose, that sum could not be regarded as forming part of a surplus until the expenditure of it was no longer lawful, or no longer thought necessary by the Government.

An amendment, moved by Mr. Joseph Cook, that the consideration of the Bill should be postponed until the financial relations of the Commonwealth and the States could be dealt with as a whole, was rejected by a majority of fourteen. The Bill was sent to the Senate, and passed through all its stages on the next day; not, however, without a division, and some gloomy warnings about its technical illegality. In both Chambers it received the solid support of the Labor Party, as might have been expected from Mr. Fisher's frank declaration: "As far as the Labor Party is concerned, the first bite out of the Surplus Revenue Bill will be the fund to provide Old-Age Pensions." And this utterance did his party good service at the next general election. The Act received the Royal assent on 10th June, 1908.

The three Acts remaining to be considered—viz.,

The Customs Tariff Act,

The Excise Tariff Act, and

The Excise Procedure Act—

may be taken together, in conjunction with the Budget Speech of the Treasurer, delivered on the 8th August. Embracing as they do the adoption of the principle of the "New Protection," they formed the great feature of the session. The debates upon them occupy more than one-third of the 12,000 pages of "Hansard," in which the oratory of this Parliament is preserved for an admiring posterity.

It has not been thought necessary to deal with the Budgets of the earlier period. Those of Sir George Turner and Sir John Forrest had been delivered under agreeable conditions of an overflowing exchequer, and involved no apologetic proposals for further taxation. Sir Wm. Lyne's first Budget, for the preparation of which he said he had but a fortnight, while showing a still increasing revenue, estimated at nearly a million in excess of the previous year, had also to face an expenditure growing at an equal rate. A substantial item in this increase was an estimate of £573,000 for bounties to sugar-growers, nearly double the amount of the previous year. In congratulating Parliament on the exceedingly prosperous state of the country, he said he expected a considerable increase in the revenue from new duties to be proposed, although those in existence had brought in for the past year £650,000 above his predecessor's estimates.

The Treasurer's speech was clear and well arranged; it probably ranks as one of his best efforts, and it was made readily intelligible by various returns supplied. He expressed regret that he could make no provision for Old-Age Pensions out of the ordinary revenue; but he intended to devote his energies to that question as soon as the Tariff was disposed of. He wound up his speech by submitting the schedule of the proposed Customs duties, covering no less than 444 separate items, and providing for a preference of, approximately, 5 per cent. on about half that number if imported from Great Britain. He spoke of this concession to a generous sentiment, as involving the sacrifice of £1,250,000 of duties; but he was discreetly silent about the huge amount involved in the increased duties levied on those goods before making the deduction, and on other British merchandise to which the concession was not extended. It was easy, when raising the duty on some mining machinery, for example, from $12\frac{1}{2}$ per cent. to 25 per cent., to generously rebate 5 per cent. of that duty on British manufactures; and that was the real operation with a large number of the most important items. And yet, with a full knowledge of the "concession," Sir Wm. Lyne said:—

I am very sorry that Great Britain cannot see her way clear to give us some preference. When I was in Great Britain I took the opportunity to say that although we did not receive the concession that we asked for, or any other concession, still Australia did not intend to approach this question again from the point of view of bargaining.

By a singular oversight, no mention was made in the Budget Speech of the clamant subject of New Protection. When the Treasurer's attention was called to this by the Press, he said it was an accidental omission; but he intended to provide for it. "I may do it in the same way as was done last year in the case of the harvesters; but if we can hit on a better way of attaining the same end we will adopt it."

Notwithstanding the enormous increase of duties which the schedules disclosed, the Tariff is still, after three years' experience of it, declared by one party to be unscientific, unjust, incongruous, and unnecessarily oppressive; and by the other to be a half-hearted measure of contemptible concessions, under which most promising industries are being slowly starved out of existence. As in all probability it will long continue to be a battle-ground of opposing interests, and will be again cast into the melting-pot, it would be futile to go into the riotous detail of this particular version. It was certainly received by the public with something like consternation. However plausible the arguments used in introducing it, the least reflective of men could not fail to realise that to practically double the existing Customs duties must heavily increase the cost of living. Within a week of the schedules being published, substantial advances were marked up in the prices of clothing, furniture, groceries, and tobacco, for the tradesman would not wait for the final action of Parliament. The well-worn fallacy that the exporter would have to bear the extra duties, and that the Australian dealer would not raise his prices, was worked by the Protectionist newspapers for all it was worth. But when the plaint of the oppressed consumer could no longer be ignored, the same journals turned their denunciations upon the local tradesmen as wilfully designing by their avaricious greed to bring a great national policy into disrepute. The public

servants, accepting this conclusion, combined to start a Civil Service Co-operative Store, and found to their cost that the alleged rapacity of the shopkeeper was only one of the stock phrases used by Protectionists to disguise the main issue. The Service had cold comfort from Parliament, for, when an appeal was made to Senator Best to consider a revision of salaries on account of the enhanced cost of living under the new Tariff, he said, without accepting the cause assigned for the increase, "the public servants will be more than compensated by sharing in the assured increased prosperity."

As a rule, the country Press took the side of the consumer, and held that the great producing interests of the country were being heavily handicapped to favor the industrial ambitions of Sydney and Melbourne. Although the Labor Party, with the New Protection in view, kept the Ministry up to the collar, their journals were very outspoken about a Protection that, so far, only benefited one class. "The Worker," the leading paper of the party, declared "the new Tariff means an all-round reduction of wages, through the added cost of living, ranging from 3s. to 5s. per week." This allegation was confirmed by many witnesses in proceedings of Wages Boards and Appeal Courts during these months, and was concurred in by the presiding judge. While the excitement was at a high point, Sir Wm. Lyne said at a banquet in Sydney: "Australia is going to have a truly Protectionist Tariff. The papers may howl and abuse and misinterpret as much as they like; but they are going to have it, for Australia will never stand a wishy-washy, half-and-half Tariff that would do nothing but raise revenue." There is a vigorous assertiveness about this, quite in keeping with his statement on the floor of the House, when, being charged by Mr. Cook with not having a grasp of the details of the Bill, he said, "I made the Tariff, and, therefore, know all about it."

For a month or two it was difficult for the daily papers to find space for the letters which poured in upon them from every branch of trade, from Chambers of Commerce and Chambers of Manufactures, or to report the deliberative resolutions of all

sorts of Councils and Committees. As the debates dragged on month after month, every day produced new phases of complaint and never-ending suggestions. Manufacturers who were intended to be benefited declared themselves ruined. Some of them, notably in the tobacco business, threatened to close their factories and dismiss the workers therein. Royal Commissions were appointed to investigate grievances, and all was discord. But no overt action was taken, the extra duties were passed on to the consumer, and work went on as usual. Parliament House was besieged in an unprecedented manner by crowds of lobbyists, waylaying Members to explain the claims of their particular trade to consideration. In November the pressure had become so intolerable, what with sample goods on view in the corridors, and the stream of applicants desirous of coaching Members, that the Speaker informed the House of the steps he had taken to check the "lobbying which is taking place, not only in the Queen's Hall, but in the immediate precincts of the Chamber, lobbying which seemed to me most objectionable, and to which the Members of any party in the House ought not to be subjected by strangers."

The long-drawn-out discussion of the Tariff Schedules, in Committee of Ways and Means, had perforce to come to an end; and on the 12th December, four months after submitting the Budget, the Treasurer was authorised to bring in the Customs Tariff and Excise Tariff Bills, embodying the decisions arrived at. They were promptly disposed of, and sent to the Senate; but that body, having adjourned in November for a couple of months, did not begin to deal with it until the 22nd January, 1908. From that day until the 29th May, a fresh discussion meandered continuously around every item in the schedules and other well-worn topics. It was relieved and enlivened by vigorous dissent from much of the work of the other House, no less than 238 items being returned for reconsideration. There was also the exchange of rather tart messages about the infringement of their respective constitutional rights. The differences were all surmounted eventually by conviction or compromise on one side or the other, facili-

tated, no doubt, by the near prospect of a longed-for recess. The efforts of the Free traders and the Revenue Tariffists had modified some of the most extreme of the original proposals; but still the Act, as passed, added about £2,000,000 a year to the existing Customs duties.

The Excise Procedure Act was an attempt to make more workable the provisions of the "Excise Act 1906," which the Ministry were being continually charged with not having enforced. It will be remembered that, while levying Excise duties upon certain articles, the original Act exempted from its operations any manufacturers who paid a defined standard rate of wages. It was admitted that certain employers paid neither the specified wages nor the excise duties, and Mr. Justice Higgins, who, as President of the Federal Arbitration and Conciliation Court, had fixed those wages, found himself unable to enforce his decisions, so he applied to the Government for legislation to enlarge his powers. This Act was to give him power to compel production of books and documents in Court, to exercise compulsion in the case of witnesses, to call to his aid trade experts, and generally to define the procedure.

Although nominally only an Act for facilitating proceedings in the Federal Arbitration Court, and so treated by the Minister in charge, it was recognised as another buttress of the New Protection, which had, so far, not given the satisfaction expected. Mr. W. H. Irvine strongly urged delaying further legislation, until the Constitutional aspect of the original Act, which was being contested, should be settled by the High Court. But there was a manifest desire to push the proceedings rapidly to an issue, and, in the face of many ineffectual protests, the Bill passed its final stages on 13th December.

On the same day the Prime Minister submitted an explanatory memorandum on the New Protection, which was ordered by the House to be printed. It was an admirable document, full of the milk of human kindness, only it had the disadvantage of being impracticable without an alteration of the Constitution, on which ground its proposals were subsequently shown by the High Court to be *ultra vires*. Mr. Deakin had more than

once said that personally he considered the control of industrial legislation throughout Australia by the Federal Parliament was an obvious necessity. It was, therefore, not surprising that in his memorandum he laid it down that, while the co-operation of the States Governments was desirable, the Commonwealth cannot ignore its obligation, so far as the Constitution allows, to secure equitable and uniform industrial conditions in all the industries which come within the range of its fiscal legislation.

He defined his objective much on the lines of the proposals submitted to Parliament on 1st October by Sir Wm. Lyne. It aimed at securing for the manufacturer such an exemption from outside competition as would enable him to pay fair and reasonable wages, and, having done that for him, to see to it that he does pay them. The method of coercion would, of course, be the imposition of Excise duties on certain classes of goods, which would be rebated to the manufacturer who could show that he had paid the standard wage. But there was much machinery necessary to secure to the working man a share of the profit which the manufacturer gained, and at the same time to prevent the extra-wage burden from being passed on to the docile consumer. For these favored productions were to bear the Commonwealth Trade Mark.

The working out of this difficult problem it was proposed to entrust to a tribunal, to be called the Board of Trade, consisting of three members, with a fixed tenure of office, adequate remuneration, and judicial independence, that should remove them beyond the reach of party or political interference. They were to be absolute dictators in deciding what were "fair and reasonable wages" throughout Australia, and to vary them as occasion might require. They were to frame their own regulation for enforcing the rates of pay fixed by them, and to have power to punish infraction of their rules.

And beyond all this over-powering mass of work, which at present occupied the time of an army of officials connected with Wages Boards and Appeal Courts, the dauntless three were to act as permanent supervisors of the existing Tariff, and to advise Ministers when and how it required amendment.

Finally, "an essential part of the completed scheme is the protection of the consumer by the establishment of machinery to prevent undue inflation of prices." The Argus-eyed three were to fill in their spare time by studying the prices charged by protected manufacturers, and if they deemed them unreasonable, to report the same to the Minister, who would take such action as the Parliament might direct.

The memorandum served its purpose for a time. The Labor Party had been supporting the Ministry through the Tariff struggle, not always without compunction by some of the more moderate of them, but with a view to the benefits of the New Protection that lay behind it. The legality of the "Excise Tariff Act 1906" was being contested in the "harvester" cases. A sectional report of the Tariff Commission had recommended some forty other industries for inclusion under its benefits. What if the whole business should break down? The original Act had been wrung out of the Government. Ministers were not committed to it as a general policy. Before the Tariff was finally passed, some declaration of the Government attitude was necessary. Hence the memorandum, which, however impracticable, proclaimed the New Protection as an article of faith that could scarcely be repudiated. When, six months later, the High Court declared the original Excise Act unconstitutional, the suggested Board of Trade memberships, with their handsome emoluments and impossible duties, ceased to agitate the minds of many aspirants for the dignified position. Within twelve months the question was again raised in another memorandum by the Prime Minister, to be referred to in a later chapter.

Apart from legislation successfully carried through, this session was notable for the number of Bills which failed to find acceptance. Such was the furore for new, and often very experimental legislation, that no less than nineteen Bills lapsed on the prorogation of Parliament. Some of them were certainly uncalled for; some were misconceptions of what could be done by Act of Parliament. A few of them dealt with matters calling for action, but were overwhelmed by the all-consuming,

demands of the Tariff discussion. Those that had the root of the matter in them will reappear in another session.

On the 20th July, 1907, Sir Wm. Lyne, Acting Prime Minister, announced that the Treasurer, Sir John Forrest, had resigned that important post, and he submitted to the House that gentleman's letter to Mr. Deakin, and the latter's sympathetic and regretful reply. Expressing his personal regret at the loss of a colleague, Sir Wm. Lyne proceeded to say that he was sure the retiring Treasurer's relation with Ministers would continue as cordial and sympathetic as they had been in the past. He then announced the Cabinet changes. He would take the post of Treasurer himself, Mr. Austin Chapman would succeed him as Minister of Trade and Customs, and Mr. Samuel Mauger would be promoted to the office of Postmaster-General. The House was eager to know if the resignation was due to Cabinet differences on matters of public policy. Sir John Forrest, in a speech of admirable tone and temper, gave a plain statement of his position, declaring, as a matter of honor, that it was impossible for him to continue a member of the Government that was dependent upon the Labor Party for keeping it in existence, after the strong attitude he had taken in opposing the candidates of that party during the recent elections in Western Australia. Nothing could be more unanswerable than his statement: "I do not believe in fighting a party at election time, and then, finding the need of that party, taking them to my bosom afterwards. . . . I am of opinion that the course I have followed is much more creditable and honorable than the course of holding on to office by the favour of those I had so strenuously opposed. These are the reasons which have actuated me in the course I have taken."

But dignified and proper as were the reasons assigned, they were not generally supposed to cover everything. They were sufficient for any honorable-minded man, and they commanded respect. No doubt there were others. Mr. Deakin had an exceptional faculty, not only for looking on the bright side of things himself, but for leading others to do the same. If the Labor Party regulated his proceedings, he invariably assumed

that they were following his directions. However much the galled jade might wince under the philippics of G. H. Reid, Joseph Cook, or Bruce Smith, his withers were unwrung. And so deftly did he handle the situation, that he often saved it from anarchic confusion by a few well-timed sentences, committing him to nothing, but sufficing to divert a wrathful attack. And now his long and regretted absence from the House, through ill health, had altered the aspect of affairs. With Sir Wm. Lyne in his place, delicate finesse was superseded by the bluntest of dissent or agreement. He made no pretence of being able to do anything without the support of Mr. Watson's followers. He was ready to seize every opportunity of indirectly proclaiming it, and they in turn were prepared to see him through the Tariff for due recognition by Government of the claims of their party. This would have been enough to constrain Sir John Forrest to take the decisive step; but it was made apparent, from his own subsequent declaration, that he was opposed to some of the excessively high duties suggested by the Tariff Commission, which the Government had been pledged to support. Sir John's Protection was not of the prohibitive type, and his long political experience made it clear to him where the Protectionist wing of the Tariff Commission was leading to. When attacked by Mr. M'Mahon for inconsistency because he had supported some high duties in the Barton Tariff of 1902, he replied: "I was then a member of the Ministry, and voted with my colleagues. After five years' experience since then, I would not now vote for that duty." The consistency that flouts experience is generally called by a different name.

Three months later there was another retirement from the front ranks of the combat. The renunciation by Mr. Watson of the Leadership of the Labor Party, on 30th October, did not create much surprise, while it was undoubtedly a great loss to his following. The reason assigned in the modest speech by which he informed the House of the step, and named Mr. Andrew Fisher as his successor, was the unsatisfactory state of his health, which was no longer equal to the strain of control

in the dominant position which his party now occupied. Mr. Deakin, for the Government, expressed his sincere regret at the assigned cause for the retirement, and bore glowing testimony to Mr. Watson's Parliamentary career. He said: "For my own part, I devoutly trust that his political duties, though interrupted, will only be suspended for a short time. It would be one of the greatest losses this Parliament could sustain—an almost irreparable loss—if the honorable Member were to withdraw from political life." Then, turning to congratulate Mr. Fisher, he said he had every confidence that he would maintain the high—the very high—traditions created by his predecessor. Mr. Dugald Thomson, in the absence of the Leader of the Opposition, voiced similar sentiments for that party, and he also alluded to the accession of Mr. Fisher in most laudatory terms, hoping that the Opposition would continue to have the same personal regard for him that they had ever had for his predecessor. The whirligig of time was to show very soon how far such compliments were to be remembered when the day for action arrived.

It had been an open secret for some time, as mentioned in a previous chapter, that Mr. Watson had long contemplated retirement from the Leadership, and had only continued to hold that office under considerable pressure. Some of his party had been injudicious in vaunting the powers of the Caucus. One had even declared of him that, though he was their Leader in the House, he had but one vote in the Caucus. He would not have again taken Ministerial office without a much freer hand than his party was prepared to concede. Naturally manly and independent, it could truly be said of him that his temporary occupation of the position of Prime Minister had not been due to any self-seeking, and when it came to an end it left no bitterness with the parties who overthrew him. Though he called himself a Socialist, he used that elastic word in its idealistic sense, and was far from the platform of the revolutionary members of that cult. Indeed, at a recent meeting of the Political Labor Council of Victoria, he had said: "He believed that while human nature remained as it was, and until

a process of enlightenment and civic education had continued for some time, any complete system of Socialism would break down utterly. It was hopeless to think that society could be suddenly transformed from its present condition, where individuals were keenly competing one with the other, to a state where each person would be in sympathy with the other, and would do to that other as he would be willing to be done by himself."

For many of his Labor colleagues this was too tame. Believing, as they did, that their extreme proposals were a panacea for all the ills of society, they wanted it at once. Therefore, they were inclined to rank a man who only had "a sympathy with the broad aims of Socialism" as an opportunist, and were ready to acquiesce in giving Mr. Fisher a trial. The retirement of Mr. Watson from the Leadership of his party, and his subsequent exit from political life, left the Federal Parliament the poorer by one whose invariable courtesy, tact, and moderation in a position of exceptional difficulty entitled him to every respect.

And death claimed another great fighter from the ranks. The session was drawing to a close when, on the 12th May, the House adjourned as a mark of respect to the memory of Mr. Charles Cameron Kingston, who had died on the previous day. He had been returned unopposed for Adelaide at the last general election as a mark of personal regard, though even at that time he was supposed to be *in extremis*, and had, in fact, never been able to take any part in the work of the third Parliament. In the days of his strength he was a masterful man, of combative tendencies—a curious blend of intense democratic sentiment, and the most curt autocratic action. It had been said in many quarters that the fierceness with which, as Minister of Customs, he fought the opposition to the Tariff Bill of 1902, had really broken down his health, and sown the seeds of his long illness. From the time of his secession from the Barton Cabinet, owing to differences over the Arbitration Bill, he showed much irritability in debate, which was generously ascribed to the state of his health. He had great brain power, but he did not always

use it to the best advantage. A certain impulsiveness often led him astray, and his arbitrary dealings with the mercantile community when administering the Customs were the cause of manifold complaints. Mr. Deakin's eulogy on the deceased statesman was, as may be supposed, couched in telling and even affectionate language, for they had long been associated in the affairs of the Commonwealth. Mr. Reid for the Opposition, Mr. Fisher for the Labor Party, and Sir John Forrest for the Corner, all added tributes of regard and esteem. But it was left for a private Member, Dr. Maloney, to say that Mr. Kingston was "the greatest man that Australia had ever produced," and to crown him with the distinction of being the originator of the policy of a White Australia.

A few episodes of the session, outside the realm of constructive legislation, remain to be noticed. One of these relates to the interminable controversy over the site of the Federal Capital. The selection of Dalgety, by the Act passed in 1904, had never met the approval of the Government of New South Wales. On the 9th April, 1908, the Attorney-General, in introducing a Bill for the purpose, said that Parliament, having decided that the Capital should be within seventeen miles of Dalgety, it was now necessary to define the territory it wanted, and to apply to the State of New South Wales for its transfer. But, he said, "the claim has been practically made by the New South Wales Parliament that it has the right to determine the matter, and that we must place the Capital in such territory as may have been granted to us." As the area proposed to be acquired was 900 square miles, with access to the sea, the chance of an amicable settlement seemed remote. It was evident, however, from the debate which followed, that the whole subject, locality and all, was once more to be thrashed out, with every probability of the Premier of New South Wales, who vetoed Dalgety, having his own way. Pressure of work prevented any decision being reached, and the Bill lapsed on prorogation.

On the 21st August, 1907, Sir Wm. Lyne made to an alarmed House the astounding statement that the Government

of New South Wales was in armed rebellion against his authority. The Premier of that State, after paying under protest duties on goods for Government consumption, and failing to get the question settled by a legal tribunal, took upon himself the responsibility of seeking an issue by an open violation of the law. A quantity of wire netting, imported by his Government, was landed in the Customs Sheds in Sydney. Its delivery was demanded without paying duty. On refusal, a detachment of police escorted sundry drays to the scene of action, and superintended its removal in the face of formal protests. Sir Wm. Lyne said he did not know what degree of force had already been used, but he had instructed his officers to hold under bolts and bars any remaining goods of this nature. There was a good deal of excitement worked up over the matter, particularly in Sydney, where the Premier's action found some support. It was certainly a regrettable episode, but the State Government maintained that some overt action was necessary to secure attention to their long-standing complaints. In 1902 an action had been brought by the State against the Commonwealth to recover Customs dues levied on State imports. The Supreme Court of New South Wales had decided in favor of the claim. The Commonwealth gave notice of appeal to the Privy Council, but when the High Court of Australia was established, they withdrew the appeal, and refunded the duties. There were some vague allegations that an understanding had been arrived at in 1904 that a test action should be brought by the State against the Commonwealth in the High Court of Australia, whose decision should be accepted as final. There was much contradictory assertion as to the reasons why this had not been done, and, meanwhile, the paying of the duties under protest every time kept up the irritability. At length it broke out into the violent action described, and it seems rather a ludicrous sequel to such a mock heroic challenge, that the Commonwealth Government promptly punished, by calling in their licences, the laboring men who had done the work, and sued the cartage contractor. Probably this vicarious action was taken under legal advice, for, according to one high authority,

"the Commonwealth could not proceed against the State, for the wrongful act was not the act of the State, but of the individual Ministers, officials, and policemen." Eventually, the case reached the High Court, and that tribunal settled the matter by deciding that, for purposes of Customs administration, the State Government's imports are in no better position than those of private persons.

In the last months of the session, an attempt was made to overthrow the Government, which, for a time, produced a complicated position. The ineffectual administration of the Postmaster-General's Department was a source of frequent condemnation in Parliament, and the gravest dissatisfaction outside. Mr. Mauger, who held the office, declared that the shortcomings were due to the ruthless manner in which the Treasurers had cut down his estimates. The then Treasurer, Sir Wm. Lyne, threw the blame for this on his predecessor, Sir John Forrest. There was much unpleasant recrimination between these two knights; but no one could deny that the service was starved, the staff half mutinous, and the public badly served. It was assumed by some that Mr. Mauger was overweighted by the enormous increase in business, for which no anticipatory provision had been made. It was certain that he had angered a large number of people, including some of his brother Members, by the autocratic manner in which he had exercised a power, vested in him, of refusing the carriage of letters supposed to be connected with gambling transactions or the advocacy of illegitimate quack medicines. His motives were transparently honest, but he under-rated the power of the organisation it raised against him. The principles for which he stood commanded the support of such an influential class that it would hardly do to attack him direct, although it must be admitted that in the debates he incurred a full share of largely unmerited abuse.

With a view of staving off a threatened attack, the Prime Minister had stated on the 24th March that a Committee of the Cabinet, consisting of Messrs. Mauger and Keating and Senator Best, had been appointed to investigate the working of

the Postal Department. This was regarded with great disfavor, as a mere subterfuge to delay important reforms. It was argued that the work of enquiry would be wasted if confined to Melbourne, and how were Ministers to neglect their departments and travel all over the States. On the other hand, Ministers were opposed to a Royal Commission as expensive and interminable. Sir Wm. Lyne bluntly declared that they would never consent to appoint one. In the discussion on the estimates for his department, Mr. Mauger had to submit to severe condemnation both from the Opposition and from the Labor Party; but a formal motion to reduce the salary of the Secretary was defeated in a thin House by a majority of five. The opponents of the Cabinet enquiry were, however, not disheartened. On the 9th of April, when Mr. Deakin desired to proceed with the consideration of the Capital site, as arranged, and had moved the postponement of all other business to do so, he was met by a counter resolution, moved by Mr. Webster, demanding the appointment of a Royal Commission to deal with the affairs of the Post and Telegraph system. The discussion went on with much heat all through the afternoon, and at 10.30 p.m. a motion for the adjournment of the debate was put forward in the Government interest, and rejected on a division by a majority of three. Half-a-dozen Labor Members had gone over to the Opposition Corner, loudly protesting against the Government's attempt to delay a decision. Mr. Deakin, when he found himself in a minority, moved the adjournment of the House until the 15th idem, and, despite strong efforts that were made to continue the debate, he succeeded in carrying his resolution, saying that it was for the purpose of enabling the Government to consider its position in relation to the vote just taken.

When the House met six days later, Mr. Deakin had decided that any drastic action in the way of a change of Government might imperil the settlement of the Tariff, on which so much labor had been expended, and which was now passing the ordeal of the Senate. He, therefore, proposed that Parliament should go on with matters of urgency, and let the Postal Enquiry rest

until the Tariff was passed. This did not seem to the discontented to represent any material advance, but during the week's respite it had become apparent that the negotiations which had been proceeding between the anti-Ministerialists had no prospect of fruition at present, so they grudgingly concurred. Another interval for the Easter holidays gave more time for reflection, and on the 28th May Mr. Deakin superseded Mr. Webster by announcing that the Government would appoint a Royal Commission of Enquiry forthwith.

It was to some extent a forecast of what was in store for the Government that Mr. Thomas, a prominent man in the Labor Party, plainly said :—

I voted with the Government because I thought if they retained office we should have a better chance of getting certain matters—which I consider to be of greater importance than even the appointment of a Royal Commission—dealt with.

And Mr. Fisher, in the closing hours of the debate, after referring to the fact that, though the Labor Party was the strongest in the House, there was not one of the four parties strong enough to carry on the Government by itself, said :—

That crisis occurred while we had under consideration a Tariff which concerns the whole of the people of Australia, and it would have been most unfortunate had its final settlement been delayed. I am guilty of no breach of confidence in stating that, from the moment the crisis arose, I, and other members of our Party, thought that it was our duty to see the Tariff out of the way before any actual trouble took place.

The decks being cleared for action, the "trouble" was soon to be in evidence. Meanwhile, a brief interval of peace was accorded in recess. On the 5th June, Sir Wm. Lyne, in moving the adjournment of the House, said, "The Tariff has not satisfied my desires, but the results are better than many Protectionists expected to achieve." On the 11th June, Parliament was prorogued by proclamation, and enjoyed a three months' recess, made memorable by the enthusiastic festivities in honor of the visit of the American Fleet.

CHAPTER XI

A SHORT SESSION OF CHANGE—SEPTEMBER-DECEMBER,
1908

THE joyfully-anticipated recess of three months, following a continuous stress and strain, did not open very auspiciously for Ministers. Three days after the adjournment of the House, the High Court of Australia delivered its judgment on the methods by which the New Protection was proposed to be enforced under cover of an Excise Act. It was entirely condemnatory of the proposals, as exceeding the powers derivable from the Constitution, and as violating the rights of the States. Ministerialists and Labor Members, though disappointed, could not pretend to be surprised, for they had heard abundant prophecies from the Opposition as to what the end would be. Despite the reassuring memorandum which Mr. Deakin had submitted to placate his supporters, it was impossible to suppose that the learned gentleman could have had much confidence in his own prescription. If he had, he was soon to be undeceived. A mass meeting of workers in the agricultural implement trade was promptly organised. They appointed a deputation to wait on Mr. Deakin, to learn what he intended to do to avert the apparent failure of New Protection. He declined to receive them, on the ground that he was not in a position to add to the statements he had already made on the subject in Parliament. Thus repulsed, the workers turned their attention to Sir Wm. Lyne, and besought his sympathy and assistance. He responded with alacrity, promising both on his return to Melbourne. Much turgid oratory was poured out at some of these meetings, and formal resolutions were passed calling on the Government to ensure justice to the workers by "immediately" amending the Constitution, "so as to allow the Federal Parliament to have

full control of the industrial conditions of the Commonwealth." And they further demanded that the Government should pay all the costs incurred by the unions "in fighting the New Protectionist legislation before Mr. Justice Higgins, seeing that the Protection, won by the employ  s is now proved to be *ultra vires*."

From Rockhampton right round to Perth came the insistent demands of many Labor Councils that some action must be taken, by alteration of the Constitution, or otherwise, to secure to the workers a fair share of the benefits which were supposed to result from the heavily-increased protective duties. Minatory resolutions were passed in many places. One speaker voiced the sentiment, and practically the language of numerous gatherings, when he said :—

If the Government does not act early there will be a new Government. The 27 Labor men supporting fourteen Deakinites will require a referendum without delay, and toss any Government out that does not remedy what has been done.

But Sir Wm. Lyne, less cautious than the Prime Minister, was lavish in his promises, and began to assume that position in the eyes of the workers which led them to the habit of speaking of the Government as the Lyne-Deakin Ministry. Speaking at a meeting in Sydney on the 8th July, the Treasurer said :—

I got the Tariff through with a great deal of help from the Labor Party on a promise to make it apply to wages as well as profits. I have now a moral duty to perform to see if it is not possible by some means to compel that application. I will do it if it can possibly be done on this earth. At anyrate, I will fight for it a long time before giving in.

Fortunately for the Government, there were distractions that temporarily blunted the edge of the attack. A change in the office of Governor-General was impending, and it is not too much to say that the departure of Lord and Lady Northcote was contemplated by the whole community with sincere regret. With every qualification for, and a generous interpretation of, the social amenities of his position, His Excellency had maintained a strict impartiality in the discharge of his official duties. He had some unpleasant questions to settle without reference to any but his own judgment; but, whether he granted or

refused a dissolution, his decision commanded ready and respectful acquiescence. He had travelled far and wide throughout Australia, penetrating even to the unpeopled north coast, and he was emphatic in his urgency for more extensive schemes of immigration, so that the great productiveness of the country should be utilised by people under the British flag. The farewell banquets tendered to him in Sydney and Melbourne on the eve of his departure were marked by exceptional cordiality and enthusiasm. An equal, if not even a greater, demonstration of regard was shown for Lady Northcote by an unprecedented voluntary gathering of some thousands of women, who thronged the grounds of Government House and serenaded her with farewell songs. She had initiated an International Exhibition of Women's Work, which was held in Melbourne during the year 1907, with a success not hitherto attained in Australia by anything of the kind. Not only did it illustrate the great part filled by female workers in our industries, but, in the more delicate arts and crafts, it disclosed the existence of a mass of unsuspected ability, in many cases running up to genius, that greatly surprised the judges who had to decide upon the various competitions.

Then there was the great excitement which dominated the entire population over the visit of the American Fleet. Preparations for the reception were commenced in Sydney in July, and from thence until the departure of the Fleet from Melbourne, on the 5th September, both business and politics were thrust to one side, and a free rein given to the expression of public rejoicing. The occasion was indeed worthy to be remembered. It was unique. Probably not one Australian in a thousand had ever seen a full-sized and full-powered battleship. Not one in a hundred thousand had ever seen a whole Fleet in handling. That such a magnificent demonstration should take place in Port Jackson, and again in Port Phillip, and that the streets of Sydney and Melbourne should resound to the tramp of many thousands of the picked fighting men of a great friendly power paying Australia a complimentary visit, was enough to stir the imagination of the

native born. It fully justified the generous expenditure which the Federal and State Governments devoted to doing honor to their guests. It was said that the Governments spent some £30,000 in the profuse hospitality of their reception; but it is certain that the private and corporate expenditure exceeded that by more than ten times. All classes vied in making the arrangements expressive of the universal pride in what was felt to be the elevation of Australia into a phase of nationhood by one of the leading powers of the world. The utmost cordiality of sentiment marked every feature of the programme, and a pleasant sense remained of a newly-discovered friendship for a people of whom we had seen but little during the days of our strenuous youth.

And even while the smoke of the vanishing fleet was yet lingering on the horizon, the trend of public attention was once more diverted from current politics to festivals of welcome by the arrival of the new Governor-General, the Earl of Dudley, who had come to his dominion by way of Canada and Vancouver. But the days of jubilation had, perforce, to come to an end. The poms and ceremonies, the lines of Venetian masts and fluttering flags, lingered just long enough to give an extra touch to the ceremonious opening of Parliament on the 16th September, and then the streets of the cities once more resumed their wonted business aspect.

The speech placed in the hands of His Excellency the Earl of Dudley on his first entry into an Australian Parliament was admirable for its brevity and directness. Practically it was condensed into two paragraphs, which, for convenience of reference, may be given in full:—

Recent decisions of the High Court render necessary the submission of an amendment of the Constitution relating to the "New Protection," which will be laid before you when measures defining the Seat of Government, and providing for National Defence, are sufficiently advanced.

Important proposals affecting the financial future of the Commonwealth—for federalising our Navigation Laws, acquiring the Northern Territory, for the establishment of the Iron Industry, of an Agricultural Bureau, and the encouragement of Immigration, together with Bills federalising the law relating to Public Com-

panies, Bankruptcy, Marine Insurance, Bills of Exchange, and Bills authorising amendments of the Electoral Law, the Public Service Act, Penny Postage, and certain administrative measures—will be placed before you.

It is well to note that of the fifteen subjects named as desirable to be dealt with promptly, only two succeeded in scrambling with much difficulty on to the Statute Book. These were the Acts relating to the seat of Government, and the establishment of the iron industry. In regard to the former, it was the third attempt to give a local habitation and a name to that phantom Bush Capital, which vivid imaginations were picturing in various mountain districts.

On the 23rd September, Mr. Groom, Attorney-General, moved the second reading of the Seat of Government Bill, and, despite his assurance that Ministers really desired the matter to be finally settled, the opportunity was seized upon by nearly every Member of the House to enlarge upon the whole question, from the inequity of the original compact with New South Wales down to the water supply and drainage of the rival hamlets that sprang into temporary importance during the discussion. The Bill, as submitted, was really only intended to more definitely define the site already selected by the Parliament; but it was treated as throwing open the whole business. So conflicting were the claims made that Mr. Bruce Smith, realising the aimless drift of the discussion, moved that the final choice should be postponed until 1921, and that in the meanwhile, from 1911 to 1920, the seat of Government should be fixed in the City of Sydney. Although not without supporters, he was ultimately persuaded to withdraw his resolution. On the 30th September, it was resolved once more to resort to the ballot. The Government consented to this, and eleven sites were put in nomination by different Members. The result of the ballot was the selection of Yass-Canberra by 39 votes, against 33 for Dalgety. The question then went to the Senate for ratification. There another month was passed in restating the well-worn arguments, and on the 6th November the final ballot in that Chamber decided for Yass-Canberra by nineteen votes against seventeen for Tumut. This decision apparently

necessitated the abandonment of the Bill introduced by Mr. Groom, which had been the basis of the discussion, and also the repeal of the Act of 1904, which had affirmed Dalgety's claims. A want of confidence motion had delayed its progress somewhat—a change of Ministry followed quickly on its final ballot. But the new Ministry, favoring the decision arrived at, brought down a fresh Bill to give effect to it. The new men in charge of affairs were on their mettle. The second reading was on the 2nd December. It was rushed through Committee the same day, and sent to the Senate. It met with some opposition there, and had to encounter several divisions. But it emerged triumphantly from the third reading on the 8th December, and received the Royal assent as the "Seat of Government (Yass-Canberra) Act 1908."

The other successful measure was the resurrection of a Bill, known in the previous session as the Iron Bounties Bill, which reappeared as the Manufacturers' Encouragement Bill. It had been initiated as far back as May, 1902, by the late Mr. Kingston, with the object of establishing the iron industry by means of substantial bonuses for the production of marketable pig iron. The question had been referred to Select Committees, had been the subject of three or four separate Bills in succeeding sessions, and, though failing to command any consistent support during four or five years, was continually cropping up as a desirable thing for the Government to do. So far, all attempts to establish the industry by private enterprise had been disastrous failures. Hundreds of thousands of pounds of subscribed capital had been lost, and Members capable of taking a commercial view of the subject believed that there was neither a large enough population nor a sufficient abundance of available ore deposits to justify the outlay. One of the largest and most developed of the ventures, situated at Lithgow, in New South Wales, had fought a long and losing battle, had been reconstructed and carried along in various ways, with a result of crushing loss to its financial sponsors. The last man who had courageously attempted to carry it on at a profit had been forced to suspend operations, and was actually being charged

before one of the Industrial Courts with "locking out" his employés.

There was a general idea, so common to the Protectionist mind, that the Government could succeed where private enterprise had failed, so strenuous efforts were made to induce Parliament to find the money for taking the Lithgow works off the rocks. But the Labor Members as a rule were averse to doing anything that looked like helping the capitalist. They preferred to nationalise the iron industry whether remunerative or not. Sir Wm. Lyne was opposed to that extreme step until he had tried the effect of stimulating bounties; hence, the debate over this measure dragged on with tedious iteration. It passed its third reading on the 6th November, the very day on which Mr. Fisher practically dismissed the Government. After some amendments in the Senate had been accepted, the Bill finally passed on the 10th December. It provided for bounties of 12s. per ton on pig iron and steel made from Australian ore, limiting the amount of such bounties to £150,000 in any one year until June, 1914. There was a further bounty of 10 per cent. on sundry manufactures of iron; but all money benefits under the Act were made conditional upon the payment by the producer or manufacturer of such standard wages as might be declared fair and reasonable by any Commonwealth or State Industrial Tribunal.

In addition to these two promised measures, another, not included in the cluster submitted by the Governor-General, succeeded in passing the ordeal, making, altogether, three Acts of Parliament as the legislative work of the session. It was a second amendment of the Immigration Restriction Act of 1901, and formed the initial performance of the Fisher Ministry in statutory legislation. The Government did not actually contend that there was any increase in Chinese immigration, as statistics would have been against them; but they claimed to have discovered the existence of something like a boom in "stowaways," which rendered the checking of alien immigrants very difficult. The original Acts rendered the masters and owners of vessels liable to a penalty of £100 for any undesir-

able immigrant who got into the country as a passenger or member of the crew; but the amended law provided a penalty for any "stowaway" who had contrived to elude the vigilance of the shipmaster and his officers.

If, however, there was little direct legislation in this session, there was plenty of material for talk. The "Address in Reply" gave the usual opportunity for roaming over things at large; but it was got over in a week. The most notable feature in it was Mr. Fisher's denunciation of the manner in which what was known as the Harvester Excise Act had been administered, and the dilatoriness of the Government in not bringing the causes of dispute before the Court. He thought they had acted too "gingerly" in dealing with the manufacturers, and declared that the Trades Unions, in bringing their action against M'Kay, had rendered a service to the Commonwealth, and should be reimbursed by Parliament for all expenses incurred. He did not blame the judges for their decision—he believed that they acted honestly; but, he added, "I still say that they are a conservative body, and have always conserved the rights and interests of those in possession, rather than initiated or opened up new interests." A hostile amendment was moved by Dr. Wilson, censuring the Government for appointing a Member of the Cabinet as Chairman of the Postal Commission; but he was unable to find a seconder, and the Address was agreed to.

Two opposing forces, both of which threatened the stability of the Government, had been at work during the recess. One was an Interstate Congress, at Brisbane, of representatives of the Labor Councils throughout Australia. Here, the solidarity of the Labor Party was laid down as the first article of its political creed. No alliance with any other party was to be tolerated, and no immunity from opposition was to be granted to anyone where a suitable Labor candidate could be found for a seat. The tone of the debates at this Conference made it very plain that the Deakin Ministry was only to remain in office pending completion of arrangements to relieve it.

The other factor was the local attempts being made to con-

solidate the direct Opposition with their colleagues of the Corner Benches, though, even if heartily combined, it was not easy to see how they could do anything against the Ministry, plus the Labor Party. With all his personal popularity, Mr. Reid was beginning to be regarded as inclined to trifle with politics. His criticisms were generally forcible, and often amusing; but he was irregular and infrequent in attendance. While not always in touch with what was going on, he was yet unwilling to stand aside. It seemed, therefore, a very forlorn hope to launch an attack on the Government without any preliminary arrangements for support; indeed, without even informing the Corner Opposition of his intention. Nevertheless, he professed that the Treasurer's Budget Speech, delivered on 14th October, filled him with alarm at the reckless manner in which unprovided-for expenditure was being proposed. He knew that on this ground he must get the support, however unwillingly, of the Corner, which contained some of the ablest financial critics, and he probably hoped that some of the Labor Party would make it the occasion for demanding that direct land taxation which they were agreed ought to bear the burden of Defence and other measures for the protection of property. There was certainly much in the attitude of Labor Members towards the Treasurer during his speech to justify Mr. Reid's expectations. Half-a-dozen of them brought more or less serious complaints against Sir Wm. Lyne, and badgered him into a state of considerable irritation. But though they were dissatisfied with what they called the "financial drift," they were not going to play the game for Mr. Reid, with whose followers it was impossible for them as a party to combine. Subsequent events proved that, with all his astuteness, Mr. Reid had failed to read them aright. They had decided in caucus that, while they could not defend the Government, they would not allow anyone else the privilege of knocking it over. So they resolved to take no part in the debate, and to vote *en bloc* when the time came.

It can hardly be said that the Treasurer's Budget, when compared with its predecessors, offered any special ground for

Mr. Reid's attack. It showed the effect of the Tariff in an increase of £2,000,000 in the Customs receipts over the previous year, and nearly £200,000 in improved revenue from the Post Office. The larger part of his address was taken up with an elaborate vindication of what was being done for the improvement of the latter department, and the necessity for substantial additions to the provision for Defence. The expenditure for the past year, which had crept up to £6,150,000, was regarded with complacency; but it was admitted that when full provision had been made for necessary increases in those two departments, together with the commitments in respect of the Northern Territory, Old-Age Pensions, the deficient revenues from the great transcontinental railways, and a few other obligations, the expenditure would reach at least £9,000,000.

Mr. Reid's motion, "That the financial proposals of the Government are unsatisfactory to the House," which he moved on the 20th October, was in the main a scathing indictment of the administration of the Postal and Defence Departments, the former of which had been worn threadbare by complaints from friends and foes alike. He touched off a variety of other things in framing his charges, and, as some of his supporters took them up, they seemed to cover the whole range of responsible Government. Mr. Deakin made a vigorous defence, but there was an air of unreality about the whole proceeding that conveyed the idea of a rehearsal. The latter part of the debate degenerated into a wrangle between the two leaders, as to which of them had led the other "into a trap" over the almost-forgotten episode of the overthrow of the Reid-M'Lean Ministry. The Government triumphed by a large majority, and Mr. Reid could not but realise that he had made a tactical blunder. He was discouraged by the perfect organisation of the Labor Party. They had abstained from taking part in the debate, and they voted solidly with the Government.

It may be said that from this hour Mr. Reid surrendered his Leadership of the Opposition, though he made no formal declaration of it in the House, as Mr. Watson had done. His mantle fell on the shoulders of Mr. Joseph Cook, Member for

Parramatta, who had for some time acted as Deputy-Leader. He had sat in the New South Wales Parliament as a Labor Member, but had resisted the dictation of the Caucus, and was elected to the first Federal Parliament as a pronounced Free-trader. With no oratorical power, and without the personal magnetism of Mr. Reid, he possessed an incisive vigor in debate, a thorough grasp of every move on the political chess board, a breezy independence, and plenty of common-sense, which has been sometimes described as genius in its working dress.

The reprieve granted to the Ministry by the rejection of Mr. Reid's attack was only palliative, not curative. For a week or so there was an attempt to tackle business in earnest, and a feverish interest was shown in proposals about which the public cared little. Such were the Contract Immigrants' Act Amendment, the Public Service Appeals Bill, and sundry general resolutions denouncing Trusts, Combines, and Monopolies. The Prime Minister was being continually pressed to declare his proposals for removing New Protection from academic discussion into the arena of practical politics, and on the 28th September he laid on the table of the Senate his second memorandum on the subject, which was to be the basis of a referendum to the people for an alteration of the Constitution. But the debate on the Budget, which continued all through the month, was the fertile source of irritation. Indeed, it was carried to such an extent that, when one of the Government supporters, Mr. Crouch, had made what the Treasurer described as a "vicious personal attack" on him, Sir Wm. Lyne, in a fit of exasperation, exclaimed, "I wish to say that if we have a recurrence of what has happened to-night, I shall not remain in the Government." Finality was reached in this debate on the 4th November, and the next few days were occupied in giving the finishing touches to the Manufacturers' Encouragement Bill.

With that much-debated measure out of the way, and the finances in working order, the Labor Party decided that the time was suitable for assuming the direct charge of the affairs

of the Commonwealth. They had not a majority, but if a party of fifteen could carry on the Government for so long, a consolidated phalanx of 27 could surely do so, since it seemed impossible, after Mr. Deakin's recent statements, that he could coalesce with the Opposition. His proposed referendum on the New Protection did not go far enough to satisfy the Labor Party; they thought they could do better on their own account, and they decided to try.

Accordingly, on the conclusion of the day's work on the 6th November, Mr. Fisher announced that the Labor Party could no longer support the Government. He said:—

Our relations with the Ministry, personally, have been of a most friendly character. . . . There have been situations of embarrassment, in which I have always sought, to the best of my ability, to safeguard the interests of the Parliament and the well-being of the country. While I freely admit that we have frequently felt the restraint that a large Party such as ours must feel in difficult circumstances, I, personally, have always held that, occupying the position that we do, we must treat any Government, situated as this Ministry is, in a perfectly straightforward manner. We are taking this course now, because it is to our minds one of decency and of order. I have endeavoured, while safeguarding the interests of the Commonwealth, to restrain within reasonable bounds any adverse criticism, and now that I can no longer do that, I think that I am performing what is more a public than a party duty in telling the House and the country the determination at which we have arrived. I have stated our position as plainly as I can, and have only to add that in taking the course which I did in a previous crisis, I had the support of my Party, the members of which felt that until at least the Tariff was dealt with, there rested upon us the public duty of giving the Government a reasonable support in every situation that a party placed as they were, and are, might find themselves in.

The Prime Minister enquired if any further step was proposed to be taken, and being told "not now," he proceeded to say that there had never been any secret article, treaty, or engagement between the Government and the Labor Party, and the attitude they now saw fit to adopt was not only perfectly within their rights, but beyond any challenge by him.

When the House reassembled on the 10th November, Mr. Deakin ably reviewed the position of parties, and dwelt with

earnest insistence on the mass of work which was waiting attention, finally moving a simple motion for the adjournment of the House, with a proviso that any amendment on it would be regarded as a challenge to the Government. Mr. Fisher moved an amendment, which was carried by 42 votes to 13, and the House adjourned for a few days to give the Ministry time to consider the position. On the 17th November, Mr. Fisher announced that the Governor-General had commissioned him to form a Ministry, and he submitted the names of his colleagues, and their offices :—

Mr. Andrew Fisher, Prime Minister and Treasurer.

Mr. W. Morris Hughes, Attorney-General.

Mr. E. L. Batchelor, External Affairs.

Mr. Hugh Mahon, Home Affairs.

Mr. Josiah Thomas, Postmaster-General.

Mr. G. F. Pearce, Defence.

Mr. F. G. Tudor, Trade and Customs.

Mr. G. M'Gregor, Vice-President Executive Council.

Mr. J. Hutchison, Honorary Minister.

Of the eight portfolios, five were held by men who had served in the first Labor Ministry under Mr. Watson, and were portrayed in a previous chapter. The three neophytes were Messrs. Thomas, Pearce, and Tudor. Mr. Thomas was an Englishman, who had worked as a miner at Broken Hill, where he had been a prominent leader in directing one of the great Labor strikes, for which that district had been so famous. He was a Freetrader, as, indeed, were a majority of the new Ministry, and had sat in the Parliament of New South Wales for some seven years before 1901, when he was elected to the first Federal Parliament for the Barrier district. He was exceedingly popular with his party, and was destined to appear again on the surface as an administrator. But he was often very injudicious in his language towards the constituted authorities, especially in his championship of the illegal actions of the Broken Hill strikers while he was a Minister of the Crown. Like most men who talk much, he was not always wise, and as he was addicted to Pleasant Sunday Afternoon

meetings for expounding Christian Socialism and kindred subjects, he was a man easy to read.

Messrs. Pearce and Tudor were both Australian natives, the former a carpenter by trade, comparatively young, with the experience gained as Chairman of Committees in the Senate for a considerable time. The latter was a hatter, who had graduated in politics in the Melbourne Trades Hall Council, of which body he had been President. In the Federal Parliament he had acted for seven or eight years as the Whip for the Labor Party. The notable advance in the status of this party was the fact that on this occasion they were able to provide an Attorney-General in the person of Mr. W. M. Hughes, without seeking outside assistance, as they had to do on the formation of Mr. Watson's Ministry.

The selection of this Ministry was a departure from precedent, being the work of the Labor Caucus, who submitted the names of twenty-one candidates to an exhaustive ballot. A resolution carried by the Federal Labor Conference of 1905 had decreed that this course should be adopted. It was to some extent responsible for Mr. Watson's retirement, for he naturally desired the usually-accorded right of selecting those colleagues for whose actions he would have to be responsible. Mr. Fisher also desired a free hand; but the Federal Labor Party held that, as they had elected him their Leader, and had thus practically made him Prime Minister, it was only consistent that the same body should elect those who were to serve with him. His protest was unheeded, since it was at variance with an accepted resolution, and the election proceeded with the result indicated above. The concession was extended to the Prime Minister that, given the men, he might allot them their several duties.

It is hardly necessary to enquire here how far they justified their selection by the administration of their departments. Their tenure of office was comparatively short, and in legislation was quite uneventful. Some of them came back to office later on in circumstances more favorable for displaying their capacities; but as far as this tenure of power was concerned, it was soon evident that they had assumed it without fully counting

the difficulties, and certainly without any anticipation of such a combination of antagonistic forces as was soon to be formed against them.

When the Prime Minister had disclosed his Cabinet, he was granted an adjournment of eight days to prepare his statement of the course of business. On the 25th November, he reviewed the financial position, which he accepted from his predecessors as satisfactory, and somewhat vaguely outlined the Government proposals for the brief remainder of the session. He did not venture upon anything beyond what had already been initiated, except on one topic. He announced that the Government intended to take immediate steps for the nationalisation of the iron industry. The debate on the programme was not very vigorous, with the exception of Mr. Joseph Cook's onslaught, and Mr. Deakin's elaborate explanation of the non-committal relations which had existed between his and Mr. Fisher's party for the last year or so. It was evident that most of the speakers found it rather difficult to satisfactorily account for the changed outlook, and before committing themselves pro or con, proceeded to "mark time" while thinking it over. A few Bills on the Notice Paper were talked over, notably the Parliamentary Witnesses Bill; but no fresh matter was allowed to intrude, and when the Estimates and the Appropriation Bill had secured approval, the end was in sight.

On the 11th December, Mr. Fisher, in moving the adjournment, said that, in view of the very important business remaining to be dealt with, Parliament would meet next year at least a month earlier than usual. Could he have anticipated what that meeting was to prelude, it is possible that the surface gaiety of the genial compliments and Christmas wishes, which rained upon the Speaker from all four divisions of the House, might have been tinged with a dash of melancholy in at least one quarter.

CHAPTER XII

THE SECOND LABOR MINISTRY

THE pleasant Christmas recess gave time for consideration, and with the dawn of the New Year, a number of Members of the Federal Parliament were trying to explain to themselves what had happened during the month of December, and, more particularly, why it had happened? A Government of fifteen, supported by a Labor backing of 27, had simply changed places. The Government now had 27, with a mild promise of support from the fifteen displaced ones. But the 33 Members who had, in one shape or another, been in Opposition to the Deakin Government, were by no means elated over the result of this new shuffle of the cards. Despite the unwillingness of the Forrest-Quick-Irvine party in the Opposition Corner to serve under the banner of Mr. Reid, they had voted with him to turn out the Ministry. Nay, more, they had stood shoulder to shoulder with Fisher, Mahon, O'Malley, and the extremists of the Labor Party to bring about the result. There certainly was no special question of policy involved. The 27 had simply declared that they were tired of supporting Mr. Deakin, because he did not move fast enough towards the realisation of their ideals. To quote the words of the newly-appointed Minister of Defence: "Our party has kept the Deakin Government in office for three years, until dry rot has set in, and it was necessary to interfere." Presumably, the Opposition helped to put Mr. Deakin out, because they were the Opposition, and with a vague hope of some benefit coming out of a fresh deal. Apparently, nothing was gained by the change, for, with the exception of a proposal to nationalise the iron industry, the new Ministry were content to calmly adopt the measures proposed by their predecessors, and, as events proved, were even slower in bringing them to an issue.

This state of things could not be quietly accepted. In February Mr. Deakin emerged from the seclusion of his sea-side home, and descended as a sort of political Peter the Hermit upon Tasmania, where a conference of State Premiers was on the point of assembling to organise resistance to what they were pleased to call the encroachments of the Commonwealth. Here Mr. Deakin found a prolific soil, cleverly worked into a highly-receptive state. The witchery of his great platform gifts, his glorification of the triumphs of Protection, his optimistic sketch of the progress of the country under Federation, and his picturesque touches about the promised land flowing with milk and honey, won from savagery by a "great progressive Australian policy," combined to gain for him the applause of each of the many meetings he addressed. It must be admitted that most of his eloquence was expended on the achievements of what might be called fulfilled history. There was little reference to the anomalous existing conditions, and practically none of any importance to the methods by which a dominant Government could be evolved to carry out the attractive programme presented. Later on, Mr. Deakin visited New South Wales and Queensland, not with any very marked success at the time, but perhaps with a more pronounced result on the coming Fusion than was even attained in Tasmania.

In March, 1909, the eighth conference of State Premiers assembled, this time at Hobart. Mr. Mahon, the Labor Minister for Home Affairs, described it as "an unconstitutional excrescence which should not have been permitted to reach its present dimensions," and said that previous Federal Governments had made a great mistake in recognising such conferences. This was rather a preposterous statement, seeing that it was the simplest means of assuring harmonious working with the States, by obtaining authoritative statements, and for comparing their respective points of view. The Prime Minister was evidently of the same opinion as his subordinate, for, though he went to the conference, he declined to be drawn into expressing an opinion upon any of the points which the combined wisdom of the States Premiers sought to press upon him.

His attitude was that of an amusing assumption of aloofness from their business. He said he felt honored by being invited to so important a gathering, but he was not there to discuss the policy of the Government, which he proposed first to submit to his own electorate in Queensland. He was willing, however, to disabuse their minds of the idea, so industriously promulgated, that it was the intention of the Government, at the end of 1910, to seize the whole of the Customs and Excise duties. In general terms, he said he desired to see the financial relations of the Commonwealth and States arranged on a satisfactory basis, but it was not for him to instruct them as to the scheme they should adopt. There were a number of schemes, of some of which he took a favorable view, but none that he could endorse, or ask Parliament to endorse. He was sure they could rely on the Government giving every consideration to any decision the Premiers might arrive at. He was not in any way bound by the Brisbane Labor Conference as to a fixed *per capita* payment to the States. Finally, when hard pressed as to his views on important questions—Finance, Defence, Transcontinental Railways, and so forth—he fell back on the statement that he would not anticipate the declaration of his policy to be made in a week or two.

When the Prime Minister had departed, the feeling was generally expressed that he would have acted more wisely, and certainly more intelligibly, if he had courteously declined the invitation to be present on the ground that his policy was not yet sufficiently matured, or that he could not prematurely disclose it. But to come and sit with them, and to treat them as an easy-going father might bid his children to go on with their lessons, and not bother him, was certainly irritating to men who were taking themselves seriously in endeavouring to find means to smooth the thorny paths of national finance. Notwithstanding the Prime Minister's refusal to identify himself with the conference, the proceedings of that body excited great attention and much journalistic interest during the week it lasted. Mr. Watt, the Treasurer of Victoria, and Mr. Kidston, the Premier of Queensland, both submitted elaborate

schemes for the division of revenue after the Braddon clause had expired. Neither was accepted, and the result of the discussion on this phase was a demand by the States for three-fifths of the Customs and Excise revenue after 1910. The suggestion came to nothing, but it is deserving of record as the first time, in all its eight meetings, that the Premiers' Conference had adopted a definite proposal.

Before the day arrived for the unfolding of the Government policy in the Prime Minister's address to his constituents, an alarming outbreak of war fever occurred in the metropolitan centres, with results which appeared to be distinctly adverse to the Ministry.

On the 19th March, a Melbourne daily paper, that had long been noted for its persistent misrepresentation of the attitude of Great Britain towards Australia, was suddenly converted to Imperialism, and published an article urging the Federal Government to emphasise the unity of the race by voluntarily presenting a battleship of the "Dreadnought" type to the British Navy. Coming from such a source, the proposal evoked much surprise; but, backed by alarmist articles upon the alleged perfidy and the hostile intentions of Germany, and by lugubrious pictures of British decadence and apathy, it kindled some racial enthusiasm which the Press generally combined to fan into a flame. For a week or two the daily papers presented in huge headlines the phases of the movement, vying with each other in the production of the most startling protestations, in the most sensational typography. Lord Mayors and ordinary Mayors throughout the country presided over Town Halls filled to overflowing; and resolutions, more or less connected with Defence and Defiance, became the current coin of all men's conversation. There was not always unanimity; but, undoubtedly, a substantial majority favored the presentation, and demanded that Mr. Fisher should call Parliament together at once to give effect to their will. But Mr. Fisher, who probably escaped the sentimental excitement by absorption in the contemplation of his policy speech, was obdurate. He refused to be concussed by any expression of public feeling

into committing himself favorably to this unexpected demand for a couple of millions sterling. He was not even moved by the theatrical attitude of New Zealand, where the Premier, without consulting Parliament, had cabled the offer of a "Dreadnought" to the British Government, with an intimation that if a second was wanted, it would be forthcoming.

New South Wales was the only State that took the matter so seriously as to invite the citizens to open their own pockets. It speaks much for the sincerity of their belief that private subscriptions, amounting to over £70,000, were paid or promised within a month. The other States displayed a more frugal mind, and contented themselves with denouncing the Prime Minister for not doing what they required of him.

At the end of the month, when the Prime Minister's statement at Gympie had shown that there was no prospect of his adopting the presentation idea, the Premiers of New South Wales and Victoria conferred together, and sought to revive the waning enthusiasm by suggesting that the States should offer the cost of a "Dreadnought," contributed on a *per capita* basis. There was some doubt whether the other States would rise to the occasion; but it was not to be endured that, after all the cheering and orating at the great meetings, the proposal should be quietly dropped, and Great Britain be left to wonder what had become of it. Therefore, after due warning to Mr. Fisher of their intention, the two Premiers cabled to the Secretary of State for the Colonies to the effect that while they were aware it was not desirable for them to take action until the Federal Parliament had met and declared its intentions, they wished to say that if the Commonwealth decided to offer a "Dreadnought," they have agreed to contribute proportionately to the same. But if it does not do so, then New South Wales and Victoria will take steps to obtain the authority of their respective Parliaments to share the cost of a "Dreadnought" on a *per capita* basis.

This somewhat guarded conclusion did not evoke the jubilation in Great Britain which the New Zealand offer had done. Sir Joseph Ward's dazzling heroics were taken quite

seriously by the masses in the Old Land. They were not experts in finance, and did not realise that the gift was only possible if the recipient would first lend the money wherewith to purchase it. The British Government was, of course, glad to receive the offer, not for its pecuniary value, but as an intimation to other countries of the attitude of her world-wide offspring to their Motherland. It was recognised that the sentiment implied in the offer was far more valuable than that indicated by the illusive financial form in which it was wrapped. But the cautious proceedings of New South Wales and Victoria, the careful ifs and buts which hedged the proposal, and the limitation of action to a promise to seek the approval of Parliament, seemed to partake too much of the ordinary methods of official charity. Great Britain was not sending round the hat. It was beyond question that if she wanted "Dreadnoughts" there was no country in the world more capable of building them than her own, certainly none so capable of providing the cost.

Whether they were really wanted or not seemed to be not so much a simple question of fact as a dispute between two political parties in the British Parliament, each of which was backed by the most opposite opinions of eminent naval experts. In fact, it was a controversy between Admiral Sir John Fisher, supported by Mr. M'Kenna, the first Lord of the Admiralty, and Admiral Lord Charles Beresford, supported by one or two members of Mr. Asquith's Cabinet. And, as the question whether four or eight "Dreadnoughts" were to be laid down in the current year became more clamant, it drifted into Parliament, where Mr. Balfour challenged the Prime Minister with a motion of censure, to the effect "that the immediate provision of battleships of the newest type, provided for in the Government programme, is insufficient to secure the safety of the Empire." It is a curious fact that in England, where the subject was presumably fairly well understood, and where it was certainly easier to appraise the value of the skilled testimony on both sides, the Press was divided, though, perhaps, the claimants for the eight battleships predominated. But in

Australia, with the exception of the Labor papers, it may be said that the whole Press ignored the Prime Minister's assurances, and unanimously supported Mr. Balfour's attack. The result proved how far the Australian Press was from gauging public opinion in England. Mr. Asquith spoke with unwonted fervor of the unpatriotic and unscrupulous misrepresentations of Great Britain's naval unpreparedness, and he denounced the idle stories which were being circulated for party purposes as wantonly mischievous. Mr. Balfour's reply, by its very admissions, disclosed the party origin of his motion, and when it came to a division, the House of Commons rejected it by 353 votes to 135.

When the news reached Australia that so large a majority had declared themselves satisfied that the Government was doing all that was considered necessary to maintain the British naval supremacy, something of a chill fell upon the movement, and people began to question themselves as to the judiciousness of the proceedings they had been led to take in what began to be recognised as a political *coup de théâtre*. With the courteous but polite acknowledgment by the British Government of New Zealand's offer, postponing the acceptance of the "public-spirited proposal" for a year, the immediate danger, on which the newspapers had so vigorously insisted, seemed to have no real basis. The final sentence in the cabled message from the Secretary of State to the Governor of New Zealand seemed to deprecate further offers. It ran: "So far as the coming financial year is concerned, the provisions and powers, for which sanction is being asked in the Naval Estimates now before Parliament, afford ample security."

In the meantime, great efforts had been made in the shape of resolutions at public meetings and otherwise to insist on Parliament being called together at once, with a view to converting Mr. Fisher, or turning him out. Being master of the situation, however, he declined to expedite such a consummation, preferring to reserve all his strength for the declaration of his policy, which he made to his constituents at Gympie on

the 30th March, before an enthusiastic gathering of some two thousand persons.

There really was no apparent reason for the secrecy in which the Ministerial policy had hitherto been so ostentatiously shrouded. True, Mr. W. G. Spence, Member for Darling (N.S.W.), in his book called "Australia's Awakening," said: "It was admitted to be the boldest and most national Australian policy ever enunciated. Anti-Labor was struck dumb, and failed to find a flaw in it." But outside the immediate party circle, it did not strike the ordinary observer as anything more than a plain statement of Labor proposals, such as would be inferred from the proceedings of the Federal Labor Conferences at Brisbane and elsewhere during the preceding months. Since Mr. Fisher never had the chance of testing the feasibility of his proposals in the then existing Parliament, it is not necessary to deal with them in detail, except for the fact that a year later he was once more placed in the position of laying down the principles of Government. A brief summary of the views put forth in 1909 may be found useful for comparison with the more matured pronouncement of 1910.

Unfortunately, he commenced his speech by some misstatements of facts, which could hardly have been due to oversight. In championing, as he not unreasonably did, the New Protection, he quoted with admiration the dictum of Mr. Justice Higgins in fixing wages: "I can't take any other standard than the normal needs of the average employé, regarded as a human being living in a civilised community;" and, turning to his audience, he said: "Would you be surprised to hear that that was set aside by the High Court?" Of course, the question which the High Court decided had nothing directly to do with wages, high or low, but simply the interpretation of the Constitution Act. It was an unfounded implication, levelled with something like malice, against a body which stood for the highest conception of Justice in Australia. From this ungenerous attack he proceeded to a vigorous defence of the miners on strike at Broken Hill, expressing a hope that they would never give in, and denouncing the employing company

as scheming, by the pinch of poverty, to compel the men to accept what was not a fair minimum wage. Now, he was, of course, aware that the company had proved in Court that, owing to the diminished market value of the mine's product, they could not pay the increased wages demanded without incurring a serious and continuous loss. And he might have known that the Judge of the Court, while not controverting that fact, had given the company the cold comfort of his opinion that a business that could not pay the wages he had fixed had no reasonable grounds for carrying on its operations.

Leaving these matters of injudicious talking, the programme which he laid before his constituents embraced the following headings:—New Protection was to be enforced by the verdict of the people, whose decision would be asked by an early referendum. Old-Age Pension, though admittedly blocked by monetary limitations, was one of the most earnest aspirations of his Government. "Whatever financial embarrassment we may meet with, that Act will be carried out to the letter," he said, to the accompaniment of much cheering. Defence was a prominent item, and necessarily attracted much attention, since the proposals meant an increase of £1,100,000 per annum, practically doubling the expenditure of the previous year. On the Naval side, he had already ordered from England, without waiting for the sanction of Parliament, three Destroyers, of what is known as the River class, and he proposed during the next three years to increase that fleet to 23 vessels in all. They were estimated to cost £2,300,000 if obtained from England; but if built in Australia, which he advocated, about 15 per cent. more, or, say, £2,700,000. The cost of maintenance by 1912 would be £236,000 per annum; but there was no indication of the use to which these 23 vessels were to be put in time of peace, beyond a vague phrase about "policing the South Seas" and the possibility of some surveying duties. In addition, provision was to be made for the purchase or hire of a coasting steamer of 2000 to 3000 tons, armed with quick-firing guns, "having an available landing strength of 100 men, and a complete outfit of boats, &c., for

shore service!" It is difficult to imagine what raiding enterprises called for such a vessel.

In dealing with the military side of Defence, he said that purely voluntary efforts at soldiering had broken down. He proposed compulsory military training, beginning with boys at ten, and ending at twenty, increasing the period of instruction by stages, ranging from two hours weekly from ten to fourteen; up to twelve half-days' and twenty-four nights' drill, with sixteen days' continuous camp work, for youths from eighteen to twenty years of age. The volunteer system was to be continued for the present for men over twenty-one, and Mr. Fisher estimated in round figures to have about 63,000 trained recruits ready for duty in three years, increasing automatically to 220,000 in twelve years.

On the transfer of the States Debts he spoke strongly, regretting that the Premiers at the several conferences had refused proposals for the transfer on what he considered advantageous terms. He had the idea, not uncommon at the time, that the Commonwealth could borrow at $\frac{1}{2}$ per cent. less interest than the States, and that this saving, capitalised at compound interest, would pay off the entire indebtedness of £250,000,000 in 66 years. On one point he was very emphatic: "On the question of borrowing, this Government, I say, will not go on the money market on any condition whatever until there is some settlement of this important matter." Yet, while nominally averse to direct borrowing, he proposed to "raise revenue" by the issue of Commonwealth Notes for a few millions—a subject on which he enlarged with much vivacity at the expense of the banks, and from which he estimated an easy profit of £100,000 a year. This was a topic destined to fill a much larger space when he returned to power in 1910.

He promised to introduce a Bill for the immediate appointment of a High Commissioner, giving, amongst other reasons for its necessity, the somewhat humorous one that each of the States was at present advertising its particular advantages to emigrants by disparaging the reputation of the others. The coming nationalisation of the iron industry was announced in

unequivocal terms. "It is the policy of the Labor Party. I regret we were not able to do it last session. I hope and desire that it will be nationalised soon. I doubt whether at present we have the power, but I hope the people will give us that power, in addition to the other powers we seek." On the Federal Capital site, he was rather non-committal. He saw no reason why the Government of the Commonwealth should not have its own house, in its own country, and he would proceed with the building of such a Capital "as soon as the proper place for it has been ascertained." He was equally cautious in his attitude towards the taking-over of the Northern Territory from South Australia, and the building of the trans-continental line to Western Australia. He would probably carry out the proposals to which the late Government was committed.

The most important feature of his statement, that which involved the infliction of further taxation, he pretended to treat quite lightly. "I cannot close," he said, "without mentioning a little item which is probably expected by you and the people of Australia." The little item was a promise to introduce a Bill to provide for the taxation of unimproved land values, with a £5000 exemption. The rate commencing at one penny in the £ rose to fourpence on estates worth £50,000 and over, with an additional penny on all grades to be paid by absentees. Mr. Fisher's declaration that this was "a necessary tax if Australian lands are to be developed as they should be" seemed to imply that the object was to break up large estates, and secure an accession of smaller holders, though in such case the revenue which he claimed to anticipate from it would gravitate to zero.

A few odds and ends of anticipatory legislation, and a glorification of the success of the sugar industry under its generous bounties, completed the statement. Within 24 hours of its delivery, it was being discussed by Press and public throughout Australia with rather a preponderance of dissent. Many of the arguments then used had to do duty again later on under revised conditions. The public, who had been urged

to "wait for Gympie," did not appear to be much enlightened as a result of their patience. The emotional spasm of the "Dreadnought" incident having subsided, they were now content to wait until Parliament should disclose the political position more clearly.

During the months of April and May, the principal daily papers throughout the States served up a series of more or less inspired paragraphs hinting at the formation of a powerful league that was to sweep the Labor Ministry into the void as soon as Parliament met. It was unfortunate for Mr. Fisher that his cause was only supported by a few uninfluential journals, and those Socialist papers which roared defiance to all authority. Practically the whole of the Australian Press that had any influence cried out for some fusion of parties that should command a substantial working majority, and restore the almost-forgotten two-party system. But while generally aiming at the same end, there was angry contention as to the men who could bring it about. Leading articles were put forth day after day to prove that Mr. Deakin was the only possible leader of such a band, and any hesitation to accept his somewhat nebulous proposals for future guidance was denounced as malignant opposition. It was customary to speak of him and his dozen followers as representing Liberalism, probably from their part in forming the so-called "Commonwealth Liberal League"; but yet it was easy to recognise that on some questions the Members in Opposition were more liberal in their proposals than the small band who denied them the name. Yet other journals, mainly in New South Wales, saw in Mr. Joseph Cook the only political saviour, which led to his being branded by the Deakinites with descriptive epithets, insulting in character, and inaccurate in matters of fact.

This attempt in a modern democracy to perpetuate the labels which distinguished parties in England was a feeble concession to custom. The brand of Liberal or Conservative was, in fact, about as inaccurate as would have been the appellation of Whig or Tory. But to call a man, or a

party, by something that suggested praise or blame was a necessity of political journalism. No independent observer could dispute the fact that sincerity of motive, and a genuine desire for the advancement of the national interests, were not the exclusive attributes of either of the contending parties. As far as this Parliament was concerned, each had said, and professed to believe, many nasty things of those to whom they were opposed. Each of them had been guilty of snatching, by sharp practices, temporary political advantages, in relation to which the public welfare had often been subordinated. Was it possible, out of these conflicting elements, to select a strong dominant party that would agree to sink some of their differences for the sake of commanding a position which should enable them to realise their aspirations for the general good? Was it desirable, even if possible, to revive the two-party system with a combination of all other political creeds arrayed simply against Labor? The opinion that preponderated said Yes. It maintained that while the genuine claims of Labor were entitled to respectful consideration, the domination of that party by outside influence seemed to threaten the subordination of legislative effort to objects of personal rather than national interest. The objective of the various external Labor Councils which instructed their delegates was, undeniably, the supersession of private industry and capital by State Socialism. From the standpoint of the more intelligent of the Labor Party this was not, perhaps, an immediate danger; but the fact could not be ignored that many of these external organisations had demanded "Socialism in our time." During the recess some of the Labor Ministers had committed themselves to personal acts unprecedented in the career of Australian responsible Ministers. The Postmaster-General had identified himself with the illegal proceedings of the riotous strikers at Broken Hill, and poured contumely on the Acts by which the New South Wales Government had sought to suppress violence. The Commissioner of Customs had flouted the appeals of the Queensland sugar farmers by declaring that his sole business was to put the workers first, as the men whose

bone and sinews were making the country. The Prime Minister had indulged in disparaging comments on the capacity of the majority of the Judges of the High Court. These things told against them with the thoughtful. Their legislative record, through no fault of their own, was barren. They had put the formal finishing touches to a few measures that the Deakin Government were working at when they were displaced. They had scrambled into recess owing to the disorganisation of their opponents. Were they to be allowed an opportunity of displaying their initiative capacity when Parliament met?

The extreme Protectionist journals were perpetually warning Mr. Deakin against the wiles of the Opposition. He was told day after day that the difference between the aims of Liberalism and Labor were infinitesimal, while between his party and that led by Mr. Cook there was a great gulf fixed, a fall into which would mean political extinction. It was confidently stated that the whole career of Mr. Deakin forbade the idea of an honest or honorable coalition between the Protectionist Liberals and the Opposition Freetraders. It was a "preposterous canard," scouted by all persons of intelligence. Mr. Deakin had said, during his Queensland mission, that he could not support Mr. Fisher's Land Tax, upon the ground that such a form of revenue should be left to the States. But his main dissent from the proposals of the Labor Ministry related to the insufficiency and vagueness of their financial schemes. Hence, he was being alternately cajoled or bullied by the Protectionist papers into throwing in his lot with his former supporters, and discomfiting the Opposition.

Meanwhile, there was in other quarters no cessation in the attempts to bring about a fusion of parties. First of all, an effort was made to unite the two wings of the Opposition, with Sir John Forrest as Leader. When that failed, there seemed for a time some hope of a junction between the Corner Opposition and Mr. Deakin's remnant, which would have altered the balance of parties, but still have left three interests of almost equal strength.

On the 11th May, Mr. Deakin issued a programme on behalf

of the Commonwealth Liberal Party, which was declared to be the irreducible minimum of that party's demands. As far as its general objective went, it might have been issued by Mr. Fisher, for it contained nothing that he had not, at one time or another, advocated. The sting for the Labor Party, however, was concentrated in the last paragraph: "To assert the principle that all representatives of the people should be directly and solely responsible to the people for their votes and actions." But for all its admirable programme, and its protest against Caucus influences, the Commonwealth Liberal League was largely a figure of speech. Its fifteen Members in the House of Representatives were quite powerless in the face of the two opposing bodies. If the programme, however, failed to awaken enthusiasm, it is certain that from the 12th to the 25th of May public excitement was worked to fever heat in the chief cities of Australia by rumors of negotiations, difficulties, failures, and successes in rapid sequence. It was reported in the Melbourne "Age" on the 13th May that Mr. Deakin had said, in response to an interviewer: "I shall not take office in any Government formed as the result of a combination of parties, and I believe the same thing is true of some others whose names have been mentioned in connection with possible new Governments." In this there was an unpleasant suggestion of his attitude when he declined in 1904 to be a member of the Reid-M'Lean Ministry, which he had really brought into existence for the same purpose as was now sought—the overthrow of a Labor Ministry.

When Mr. Deakin declared his intention of standing aside, Sir John Forrest and Sir Robert Best went to Sydney to see if any *modus vivendi* could be arranged with Mr. Joseph Cook. Their success was not immediate, but they lowered some of the barriers. The New South Wales people could not readily forgive Mr. Deakin's part in the overthrow of Mr. Reid's Government, and they desired that if a fusion should come about it should be led by Mr. Cook, whose capacity in leading the Opposition since Mr. Reid's retirement had been generally recognised. Parliament was to meet on the 26th May, and

some decision must be come to as to the attitude to be assumed towards the Ministry. Gradually differences were whittled down by compromise to vanishing point. Mr. Deakin began to realise that coalition was certain, whether he stood aside or not, and, declaring he would ne'er consent, consented. The two matters which presented difficulties of adjustment were the New Protection and the compulsory training of the proposed Defence Force. Mr. Deakin had agreed to the Tariff remaining untouched, save for the rectification of declared anomalies. He had come into line with the proposals in general terms for an interim adjustment of the financial relations with the States without, so far, defining details, which would require another conference of Premiers. While no party would have had any chance of life if it abandoned New Protection, it was out of the question to contemplate forcing its acceptance in the form in which the late Government had launched it. Mr. Deakin proposed to save it by the appointment of an Interstate Commission, armed with powers to federalise the findings of Wages Boards in the States where they existed, and where they did not exist, to federalise the rate of wages in the same industry throughout Australia, with power to take into account local and climatic conditions as affecting competition. It was a somewhat complicated proposal, involving a substantial addition to the cost of the public service, possibly even necessitating an amendment of the Constitution; but it was accepted as a satisfactory interim proposal. The question of the compulsory training of the nascent military force dwindled to a difference as to the age to which it should be carried, whether eighteen or twenty-one, and as some years would have to elapse before the latter age was reached, the demand for the reduction was not pressed.

When all these preliminaries had been adjusted, Mr. Deakin's seventeen followers, including two Senators, passed a formal resolution, approving of the Fusion, by twelve votes to three. The dissentients were Senator Trenwith, Mr. Wise, and Mr. Chanter. Sir Wm. Lyne did not vote, and Mr. Chapman was absent. The former having violently denounced Mr.

Deakin as a betrayer of the highest interests of his party, and a personal traitor to himself, stalked angrily out of the room. Senator Trenwith explained that, although he must vote against the step as wrong in principle, he could not separate himself from those with whom he had been so many years associated, or take up any hostile attitude towards them. There remained the question of leadership. It had been arranged that a combined meeting of the parties to the Fusion should be held for the purpose of electing the Leader by ballot. The meeting was held just before the Parliament assembled, and was unable to come to a decision before it was called away to hear the Governor-General's Speech. On reassembling, Mr. Reid nominated Mr. Cook as Leader; but so general a desire to retain Mr. Deakin was manifested, that Mr. Cook requested the withdrawal of his name, there being a tacit understanding that in the event of a Fusion Ministry being formed, it should be known as the Deakin-Cook Government. Promptly on his appointment as Leader, Mr. Deakin transmitted to Mr. Fisher a Roland for the Oliver he had received from that gentleman in November, 1908. It ran as follows :—

My dear Prime Minister—At yesterday's meeting of our Party, I was authorised to intimate to you that its support can no longer be continued. May I add for its members, and especially for myself, that our relations with the Ministry have always been of a most friendly character.—Yours very truly,

ALFRED DEAKIN.

The Governor-General's Speech at the formal opening of Parliament on the 26th of May was, even for such productions, a marvel of prolixity, meandering over thirty-two paragraphs. It claimed that, though the revenue had fallen below expectation, a careful economy in administration had enabled the Treasurer to place a larger sum than was expected to the Trust Fund towards paying Old-Age Pensions. Credit was taken for having stirred up the British Government to the desirability of conferring with the outlying dominions of the Empire on the question of Naval Defence. As a result, a conference had been called for the purpose in London, at which the Minister of Defence, Senator Pearce, "accompanied by

naval and military experts," had been deputed to represent Australia. The paragraph heralding the Land Tax boldly declared that it "will lead to the subdivision of large estates, and cause extensive areas to be thrown open for settlement, and so offer to immigrants those inducements which are necessary to attract them in large numbers." The reference to the New Protection was generously vague. "Proposals will be submitted to you for the amendment of the Constitution to enable Parliament to protect the interests of the consumer, and ensure a fair and reasonable wage to every worker in the Commonwealth." Hitherto, whoever was protected it was always the consumer that had paid for it; but under this enigmatical proposal, the coddled manufacturer is dropped out, the consumer is promised consideration, and the worker justice. It is one of the regrettable incidents of the Fisher Ministry's brief career that they had no opportunity of explaining their new reading of Protection to native industry. About five-and-twenty legislative measures were indicated as being in various phases of readiness to be submitted; but none of them was destined to reach the arena of discussion under the guidance of this Ministry. If any anticipation of what was in store for them had existed, they could afford to be liberal at least in promises, and they had not missed the opportunity.

Whether they had anticipatory doubts or not, the prospect must have been discouraging. In full force their party numbered 27; but Mr. Watson, their former Leader, was away in South Africa. To the 26 available they might expect to add the four revolted Deakinites, Sir Wm. Lyne, with Messrs. Chanter, Wise, and Storrer. Even with these recruits, they would have to face a combined body of 43, solid for this occasion at least. The opening-day was allowed to pass undisturbed, for it was not until late in the evening that the question of the Fusion leadership was finally settled. On the 27th, as soon as the House met, Mr. Deakin rose to speak on the "Address in Reply," and was greeted by Sir Wm. Lyne with passionate cries of "Judas" and other offensive epithets. When order had been with difficulty restored, Mr. Deakin proceeded to deal

with the Governor-General's Speech in a vein of light irony. He maintained that it was more an election platform than an honest attempt to outline work which was expected to be done. He said that in view of the position of parties in the House, a detailed discussion of the proposals of the Ministry was waste of time. "It is worse than idle to ask this Parliament to continue to beat the air in relation to proposals for measures that cannot be passed while the urgency of the situation is pressing upon us." And in thus urging the Members on his side not to prolong a useless debate, he set a good example by occupying less than a quarter of an hour.

Mr. Fisher rose to reply in a state of great excitement, which was kept alive by the frequent angry ejaculations of encouragement from Sir Wm. Lyne. He declared that the insinuation that the Governor-General's Speech had been intended more for the hustings than for the House, was a gratuitous insult to the Government. It was drafted as the work of the session, and it was intended to be carried out. He demanded some definite challenge from the new Leader of the Opposition—a plain statement of some act, or proposed act, that could be fairly denounced. Did he object to the decision to send the present Minister of Defence to the Imperial Conference? Was he prepared to make the action of the Ministry, in purchasing the three destroyers in anticipation of Parliament's consent, a ground of complaint? Was it his dealings with the Trust Funds, or his proposal for a Commonwealth paper currency? Did he even propose to show that Ministers were incapable of transacting the business of the Commonwealth, and that their programme was undeserving of consideration? Why was no specific charge made that could be fairly met and answered? The appeal was in vain, for the moment he sat down Mr. Kelly jumped up and moved the adjournment of the debate. Under the Standing Orders the question had to be put without any discussion, and the motion was carried by 39 votes to 30. As was anticipated, Sir Wm. Lyne and Messrs. Chanter, Storrer, and Wise voted with the Ministry. The absentees were Sir Philip Fysh, Mr. Chapman.

and Mr. Dugald Thomson, these, with the Speaker, accounting for the full House.

When the division had been recorded, the Prime Minister moved the adjournment of the House, intimating that he regarded the vote just taken as one of want of confidence in the Government. Under cover of this motion, Sir Wm. Lyne got his chance, and for an hour he poured the vials of his wrath on Mr. Deakin and Sir John Forrest with a vigor of invective that frequently demanded the interference of the Speaker. He took this opportunity of unbosoming himself of certain Cabinet secrets, which he thought would tell unfavorably against his former Ministerial colleagues. He was followed by Mr. Hughes, the Attorney-General, who, in more guarded phrase, but with equal bitterness, attacked Mr. Deakin primarily, and then all those who were associated with him. He charged them with slanderous the Government at Town Hall meetings, and on suburban platforms, but when they came into Parliament they treated with contemptuous silence a policy they were incapable of criticising, and dared not denounce. He was followed by Messrs. Chanter, Wise, and Storrer, who desired to offer explanations of their apostasy which, in the prevailing excitement, no one cared to hear. The Opposition maintained a stony silence, and the motion for adjournment was carried at a late hour.

It would certainly help to inspire respect for the principle of Parliamentary government if it were possible to have a judicious censor of the records, who would be conveniently blind and deaf on those days when no business and much mischief is enacted. Such a censor would, without doubt, blot out from remembrance the futile wrangling discord which marked the proceedings of the 28th May, 1909. From 10.30 a.m. to 6.30 p.m. a torrent of personal recrimination flowed undiluted through the Chamber. There was not a speech during the whole day that touched the real interests of the community. Malevolent falsehoods were repeated time and again after strenuous denials, and even disproof. Men called each other liars as closely as the practice of Parliament would

permit, and the Speaker was incessantly demanding withdrawals, only to find the offence re-enacted within a few minutes. The turmoil commenced when Mr. Deakin essayed to offer an explanation of the apparent abruptness of the method he had adopted for defeating the Ministry. Despite the fact that he was met with cries of "Judas" and other offensive epithets, and was continually interrupted by most insulting interjections, he maintained his suavity so well that his opponents construed his mildness into an apologetic attitude. With the exception of a few brief speeches to repel attacks upon their personal integrity, the members of the Opposition listened to the tumult with assumed indifference. Only one Member, Mr. Wilks, spoke at any length. On the other side Mr. Fisher was either unable, or unwilling, to restrain his followers, and the atmosphere was kept electric by the fiery denunciations and threats which Mr. Hughes, Sir Wm. Lyne, Mr. Webster, and half-a-dozen others hurled at the detested Fusion. The preposterous spectacle was presented of men describing their opponents as "honorable" while charging them with conduct that would disgrace a Jeremy Diddler, "learned" while endeavouring to prove them brainless nincompoops, and "gallant" while denying them the courage of their convictions. The bitterest taunts, and the most galling sneers, might be scattered about, but to save the whole thing from contumely, it was thought to assume a pretended courtesy, borrowed with much incongruity from a more dignified age. The Speaker had to see to that, but always at the cost of much urgent remonstrance. Of course, Mr. Deakin was the principal object of scorn, and his ingratitude to his Labor supporters, his alleged treachery, alike to Mr. Watson and Mr. Reid, were dilated upon with ferocious emphasis. It was all ancient history, but it served as a vent for surging animosity, and it was made the occasion for revealing some curious episodes of secret political history. It need not be further dwelt upon, for it ended in the adoption of Mr. Fisher's motion for adjournment, and when the House met again on the 1st June, the Prime Minister announced that in the interim, having appealed to the

Governor-General for a dissolution, and having been refused, he had tendered the resignation of his Cabinet, and Mr. Deakin had been commissioned to form a new administration.

In view of the result of the appeal to the country, which the general election of the following year provided, it is a reasonable supposition that if His Excellency had granted Mr. Fisher's request for a dissolution, the strenuous six months' work of the Fusion Government, and the long list of Acts which they placed on the Statute Book, would have remained unaccomplished.

CHAPTER XIII

THE FUSION MINISTRY, 1909

THE second Labor Government had gone out of office without accomplishing any of that regenerating legislation, the promise of which had roused such applause at Gympie. It had the will, but not the numbers. The new combination, popularly known as the Fusion Government, had equal will, with the addition of much political experience and a majority in the House. On the 2nd June, Mr. Deakin announced that he had taken office as Prime Minister, without portfolio, and he submitted a list of the Members comprising his Cabinet:—

Mr. Joseph Cook, Minister of Defence.

Sir John Forrest, Treasurer.

Sir Robert Best, Minister of Trade and Customs.

Mr. L. E. Groom, Minister of External Affairs.

Mr. P. M'M. Glynn, Attorney-General.

Sir John Quick, Postmaster-General.

Mr. G. W. Fuller, Minister of Home Affairs.

Mr. E. D. Millen, Vice-President Executive Council.

Col. J. F. G. Foxton, Honorary Minister.

This Government had not adopted the Labor method of balloting for the Ministry, but, of necessity, consideration had to be given to the strength of the respective parties forming the Fusion. The incentive to much Parliamentary strife in the past, the fiscal question, having by common consent been eliminated from the area of debatable politics, there seemed a fair prospect of some useful progressive legislation being accomplished. The representatives of the former Deakin Government were the Prime Minister, with Sir Robert Best and Mr. Groom. The Corner Opposition was represented by Sir John Forrest and Sir John Quick. The direct Opposition, as

the numerically strongest party, had Mr. Cook and Messrs. Glynn, Millen, Fuller, and Foxton. If the selection was commented on unfavorably in a few quarters, it was because some who were thought deserving had been passed over. There was no suggestion that any of the men selected were in any way unfit. Unhappily, there was one quarter where combined disappointment and anger worked havoc with a stormy political career. Sir Wm. Lyne, ignored by his old associates, and coldly tolerated by the Labor Party, for whom he had done so much, saw himself shut out from any hope of office, which he had for so long enjoyed. From this time he appeared to devote his energies to a vendetta which threatened to paralyse business, and which was indeed to be mainly responsible for the most disorderly scenes yet witnessed in the Federal Parliament.

Of the new Ministry, Messrs. Cook, Glynn, Quick, Fuller, and Foxton were new to Commonwealth office. Mr. Joseph Cook (Parramatta, N.S.W.) had, indeed, as Leader of the Opposition, filled a position of far greater importance than that of a junior Cabinet Minister, and he had held office for some years in a New South Wales State Government. He was a resourceful man, ready in debate, strong in his convictions, and fearless in asserting them. Beginning life as a coal miner, he had at one time been affiliated with the Labor Party, but his natural independence of character led him to refuse their Caucus pledges, and to ignore their control. This largely accounts for the bitter opposition he invariably had to encounter from that party. Mr. Glynn (Angus, S.A.), who had held a seat in the Federal Parliament from the beginning, was a barrister of rather brilliant parts; a scholar, who, having graduated in journalism, had made some contributions to more solid literature. He had been Attorney-General in a South Australian Government, and performed much useful work in the Federal Conventions of 1897-8. Sir John Quick (Bendigo, Vic.) commenced life in the city he represented, and at an early age was a reporter on the local newspaper. Removing to Melbourne, he passed through a distinguished University

career, and took his degree of Doctor of Laws in 1882. He, too, had done much creative work in connection with the Federal movement, and was elected to its first Parliament in recognition thereof. He had a very stormy time during 1906-7 as Chairman of the ponderous Tariff Commission, the voluminous reports of which seemed only to accentuate the difficulties of reaching any acceptable conclusions. He received the honor of knighthood for services rendered to the cause of Federation, in which he had really been the guiding spirit of the Australian Natives' Association. Mr. Fuller (Illawarra, N.S.W.) was also a barrister, whose qualifications for administration had yet to be tested. Colonel Foxton (Brisbane, Q.) was a late comer in the field, having only been elected in December, 1906. He had, however, been for twenty years in the State Parliament of Queensland, and had filled Ministerial office there. Though a solicitor by profession, he held the position of Colonel in Command of the Field Forces of Queensland. He was not destined for a long career in Federal politics, and his voice was seldom heard in the House; but he appeared opportunely as a suitable man to represent the Government at the Imperial Defence Conference in London, from attending which Senator Pearce had been suddenly stopped. The appointment gave rise to some adverse criticism when the Conference proceedings came to be reviewed. It had, however, to be remembered that, in view of the struggle before them, the Ministry had rather to consider who could be best spared from the House, than who was undoubtedly best fitted for the mission. After all, it was only a matter of consultation, in which their delegate was not, and could not, be armed with initiative powers.

It was appropriately indicative of Fusion that six members of the Cabinet owned themselves Protectionists, while four retained their Freetrade views. It was, perhaps, less indicative of a blend that seven out of the ten were lawyers. But whatever their political or professional composition, they were all animated by one desire to show what could be done for the country now that the parties in the House were, practically for

the first time, reduced to two, the Government and the Opposition. In this spirit they assumed office as the seventh Ministry that had attempted to rule the destinies of Australia within the space of eight years.

Despite the consolidation of their party and their working majority they were not destined to tread the paths of peace. The following of the displaced Government angrily resented the refusal of a dissolution. In wild speeches outside Parliament several of them had pledged themselves to block all legislative work until the country had been appealed to. Within the House, the leading spirits of the Opposition, while not so directly declaring that intention, showed by their actions that it was the governing principle of their conduct. It was manifested on the very first day, when Mr. Deakin, having announced his Ministry, asked for an adjournment of 21 days to prepare the business he proposed to submit to the House. One after another Opposition Members protested. They declared that the only policy he had to submit had been published in the daily papers for many weeks, and that his position was so restricted by the conditions of his Fusion, that he could not possibly vary it. Further, they contended that everything worth having in the Fusion creed had been shamelessly appropriated from the proposals of the party so summarily supplanted. Above all, its timid indefiniteness about the enforcement of the New Protection was an unforgivable sin. But talk seemed idle when the numbers were up, though the knowledge of its uselessness was no deterrent. A motion by Mr. Fisher to reduce the period of recess was rejected on a division, and the Ministry was permitted to leisurely consider its bill of fare.

During this interval the Prime Minister made it known that immediately on his accession to power he had cabled to the Imperial Government that it was his intention at once to submit to Parliament proposals for the defence of the Commonwealth, and on behalf of his Ministry said :—

They now beg to offer to the Empire an Australian "Dreadnought," or such addition to its naval strength as may be deter-

mined, after consultation at the Naval and Military Conference in London, at which they will be represented.

The reply which was published expressed "warm and very cordial thanks for the offer," and welcomed the opportunity for consultation afforded by the conference about to be held.

The Ministry worked hard during the recess. Long sittings of the Cabinet were the order of the day, and when Parliament met on 23rd June, the result of these deliberations was submitted in a lengthy memorandum which the Prime Minister read to the House. It covered the Government policy in Industrial Control, Defence, and Finance. The first item was capacious enough to include a Federal Labor Bureau, Unemployment, Immigration, Old-Age Pensions, Preferential Trade, the rectification of Tariff anomalies, and half-a-dozen other items which had been initiated or promised when Mr. Deakin was formerly in office. On Defence, the pronouncement was definite enough, but necessarily the naval side of it had to await the result of the conference to which Col. Foxton had been sent. For the Military aspect, a Bill was promised, founded on the principle of universal training from the school upwards, and the establishment of a Military College for the highest training of officers. The subject of Finance was declared to be of more immediate importance than at any period since Federation was established. If it had been grappled with, the results were not submitted to the House, for the subject was treated with discreet reservation. The pressing importance of the financial problems was dwelt upon with much emphasis, but there was no clue to their solution in the mild assurance that they were being "carefully considered in principle and in detail, in order that a satisfactory and permanent settlement may be achieved."

Prior to the reading of the Prime Minister's statement, there had been an ingenious display of tactics which revealed the temper of the House. Mr. Deakin realised that under the changed conditions it would be a waste of time to go on with the debate on the "Address in Reply." He desired, with the concurrence of the Opposition, to allow that debate to lapse,

and to take up the discussion on the statement he proposed to read. But the Opposition refused to make terms, and insisted on keeping the debate on the policy of the late Government open. When the Prime Minister had finished his statement, Mr. Fisher immediately moved the adjournment of the debate, which was agreed to. Whereupon Mr. M'Donald, a prominent Labor man, promptly resumed the debate on the "Address in Reply," which he declared was the only ground upon which the policy of the late Ministry could be adequately vindicated, and he was determined to do all in his power to baulk Mr. Deakin's efforts to have it contemptuously ignored. For three hours he denounced the Fusion Government and all its works with a freedom of descriptive adjectives that frequently called for the interference of the Speaker. But the three hours served its purpose in enabling the Labor Party to perfect the form of their attack. The main body of the Opposition kept out of the Chamber while their representative was talking, forcing the Ministerialists to maintain a quorum; but four or five times during the speech the bells had to be rung to make a House. When at length the orator sat down, Mr. Fisher briefly announced that on the following day he would move—"That the Government does not possess the confidence of this House."

In one respect the schemes of the Opposition had been a success, since its deliberate object was to prevent the Government proceeding with ordinary business. The Prime Minister's appeal that the debate on the Governor-General's Speech should be dropped, and transferred to his statement, which was the live issue, had been rejected. With a vote of want of confidence added, the way was now open for the Opposition to occupy the whole three areas of debate practically unchecked for irrelevance. An attempt was made on the following day to refuse dealing with the Supply Bill which the Treasurer brought down, Mr. Fisher protesting that it was most unusual to assist a Government in this way while a no-confidence motion was under consideration. The necessity for keeping faith with the public creditor was, however, recognised by the majority, and supply was eventually granted.

The debate on the want of confidence was commenced by Mr. Fisher on the 24th June, and, after a brilliant reply by the Prime Minister, it dragged on with slight intermissions until the 16th July. Twenty members of the Opposition addressed themselves to the question, mostly at great length, and all with trenchant denunciations of the unholy alliance which had so unnaturally combined against them. Fifteen Ministerialists were goaded into adding their voices to the tumult; but as they were mostly on the defensive, their speeches lacked the vibrant ring of the attack. Messrs. Chanter, Wise, and Storrer availed themselves of the opportunity to explain in detail the reasons for their desertion of the Deakin banner. But the great *tour de force* of the Opposition was the speech of Mr. Webster, which extended over two sittings, and occupied ten hours in delivery. Nothing that was said during the long debate had the slightest effect in changing opinions. Indeed, at no time, after the first two speakers, was it a discussion of principles. It was intensely personal throughout, compounded of charges and recriminations in respect to actions, which for good or ill had long since passed beyond the region of useful criticism, of caustic comments on the former antagonism of the parties to the Fusion, and lamentations over the treachery by which the whilom Liberal Party had been seduced from its Labor sponsors. The debate represented nearly a month absolutely wasted at a time when the country was crying out that no legislation worthy of the name had been accomplished for a whole year. It had not realised the hope of its initiators, for that was based on the prospect of starting dissension in the newly-allied ranks, and it had so embittered the relations of many Members as to make political life, as thus interpreted, a thing hateful to contemplate.

The strength of the Labor Party in the Senate was shown by the fact that they had carried the "Address in Reply" on the day following the delivery of the Vice-Regal Speech, and having now nothing to do, by reason of the no-confidence motion, they passed their time cheerfully in pulling to pieces the Prime Minister's statement, which had come before them on one of

those fictional motions for printing an unimportant paper. There being no particular hurry, most of the speeches were both long and irrelevant. The fact that nothing depended on the issue of the debate, that Senators spoke with a deliberate purpose of talking to the electors through the Press, tended to produce a restless and uninterested Chamber. None of them wanted to listen to his colleagues talking to the reporters, and, therefore, left the Chamber when they had fired off their own contribution. It was difficult at times to keep a quorum, except upon special occasions like that upon which Senator Symon made the very atmosphere crackle with his fiery denunciations of Mr. Deakin's ingrained faithlessness. And this startling deliverance came from the Ministerial benches! At last, wide as the area was over which the discussion ranged, Senators got tired of it, and it ended ignominiously in a count out on the 8th July, just when Senator St. Ledger was irritating the Opposition with some very unpleasant truths about Socialism.

The division on the want-of-confidence debate was reached in the Representatives on the 16th July, when, including pairs, the Government found 37 supporters against 30 opponents. In response to the claims of the Opposition that they had reduced the Government's assumed majority by nearly one-half, Mr. Deakin complained that a division had been snatched at a moment when some of his supporters were hurrying to the House to record their votes. Although Mr. Fisher declared this charge to be but another specimen of Ministerial discourtesy which "was beneath contempt," it was quite true. Of the eight non-voters only one was a Laborite, one was the Speaker, and the other six were all staunch Ministerialists.

Reassembling on the 20th July, there seemed a fair prospect of the Ministry entering upon a career of useful legislation, and carrying some of those measures which had been talked of as desirable for five or six years past. Mr. Fisher, in a temperate speech, gave the finishing touches to the Prime Minister's statement, and with its disappearance the way was cleared for constructive work. Bills were introduced in such rapid suc-

cession that the Opposition, who had displaced Mr. Deakin's former Ministry because it was too slow, were soon loud in their complaints that they were being "hustled." While resorting to all the forms of the House to delay proceedings, they so often infringed them that the Speaker was continually calling them to account, and pleading for a decent observance of Parliamentary practice. The climax of disgraceful disorder was reached on the 22nd July, when a stormy sitting of fourteen hours' duration was abruptly closed by the mortal illness of the Speaker, who, in the midst of a tumultuous scene of strife, sank insensible on the floor of the House, exclaiming "Dreadful ! dreadful !"

It was the culmination of a period of unrestrained invective that had lasted from the meeting on Thursday afternoon until nearly 5 o'clock on Friday morning. The conflict began with a motion by Sir Wm. Lyne, requiring the Government, without delay, to introduce a Bill for the removal of anomalies in the Tariff, "and to add such other duties as may be necessary." This was a wanton attempt to reintroduce the disputatious element so inseparable from Protection, which had been largely responsible for the barren controversies of past sessions. The sensible arrangement by which a suspension of fiscal strife had enabled a band of strong administrators to unite on all other points for the general welfare was galling to the few extremists. It was evident from the outset of Sir Wm. Lyne's address that the motion was only a peg on which to hang a fierce attack upon the Ministry. Such was the acrimony of the speech, and the debate which it aroused, that the Speaker had to intervene more than a score of times. After the dinner-hour, the sitting was devoted to a discussion of the Old-Age Pensions Bill, throughout which the Opposition sought to brand the Ministry as wanting in sympathy towards the measure. Though admittedly both parties were at one in desiring the passage of the Act, it might have been supposed that a vigorous effort was being made to block it.

Through the long hours of the night, the weariness of mind and body envenomed speech. A stream of personal invective

flowed dully on, occasionally breaking into language so unseemly as even to evoke cries of "Shame." A specially improper remark from Sir Wm. Lyne called for a protest from the Prime Minister as to the sense of what Members owed to each other in personal references. "There is a line," he said, "beyond which we are not justified in passing under any circumstances, and that line is passed when not even the dead are held sacred by an honorable Member." It was only after much resistance, and a constructive defiance of the Chair, that the honorable Member made a halting withdrawal. Later on, as daylight was beginning to steal through the windows, while the same honorable Member was baiting Sir John Forrest, the catastrophe of the Speaker's seizure quieted the tumult, and spread an atmosphere of gloom on all. Sir Frederick Holder was reverently carried from the Chamber; but he did not recover consciousness, and died a few hours later.

Such an appalling event could not fail to arouse the sincerest sorrow. By his high sense of duty, his inflexible justice and impartiality, the Speaker had commanded the respect of all, and won the affectionate regard of most of the Members of the House. In the eight years during which he had presided over the debates, his decisions had been so uniformly just, so prompt, and his knowledge of Parliamentary law and practice so unquestionable, that all parties readily accepted him as their guide, philosopher, and friend. Brilliant tributes were paid to his character by the Prime Minister, by Mr. Fisher, by Mr. Cook, and also by many leading Senators in their Chamber.

How evanescent was the solemnising effect of the tragic death of the Speaker was seen in the temper displayed by Members when they met, four days later, to elect his successor. Rightly or wrongly, the Government had decided in conference with their supporters that it rested with them to select a man suitable for the exalted position. Many were named. The qualifications of Mr. G. H. Reid, Mr. W. H. Irvine, and Mr. Bruce Smith were universally admitted; but none of these gentlemen was prepared to surrender his lucrative practice at the Bar. The choice was finally narrowed down to Dr.

Carty Salmon (Laanecoorie, Vic.) and Mr. Agar Wynne (Balaclava, Vic.), and on the final test the former obtained the preference. The Opposition contended that this selection was making a party question of what was rightfully a matter for the decision of the whole House. They nominated in the first place Mr. Charles M'Donald, who had recently been Deputy-Speaker, and shortly afterwards Mr. J. M. Chanter, and proceeded with discourteous frankness to depreciate the claims of Dr. Salmon, whom they declared had been weighed in the balance and found wanting. To add to the confusion, Mr. Agar Wynne was then proposed by Labor Members as the fourth candidate; but, in view of the heated debate which followed, he desired that his name should be withdrawn. Then Mr. Fisher proposed that the nominations should be postponed, to allow of an open conference. The Prime Minister said that such a proposal at the outset would have been readily received, but now, after the personalities which had been indulged in, and the disparagement cast upon the nominee of the Government, Members were no longer in that judicial frame of mind requisite for a fair decision. Mr. Hughes moved the adjournment of the debate, but the division resulted in a majority of four for the Government. A couple of hours later, noting the absence of some Ministerialists, Mr. Mathews again moved the adjournment, and the result was a tie, there being 31 on each side. The Clerk of the House, who, under the Standing Orders acted as Chairman, said :—"I do not feel that it would be right for me to take the responsibility of putting an end to the debate, a course which honorable Members apparently are not themselves prepared to take. I, therefore, give my vote with the noes."

Immediately all was uproar. The Clerk was assailed for daring to speak as if he had a vote. It could have made no difference whatever he called his ruling, for the adjournment of the debate had not been carried, and must perforce go on. But for a time the inadvertent use of the word "vote" diverted the dissatisfied Members to a new point of attack, and for more than an hour they dilated upon the constructive assumption by

a mere official of their sacred prerogative. It was mainly silly declamation, which must have made some of the speakers uncomfortable when they saw their words reproduced in the prosaic pages of "Hansard." Indeed, on the following day Mr. Mahon, a Labor Member, on a question of privilege, moved for a resolution to expunge from the records of the House all reference to this episode; but his motion was rejected by a majority of twelve, after two hours' discussion. The course pursued by the Clerk was, however, fully recognised by the Government side of the House, and before adjourning the Prime Minister, amidst applause, thanked him "for the able manner in which he had discharged his duties, under extremely trying and quite unforeseen conditions."

On the previous evening, after the Clerk had been sufficiently animadverted upon, the question of electing the Speaker was resumed. It cannot be said that the Labor Party pressed the claims of their nominees; indeed, some of them declared their willingness to vote for "anybody but Dr. Salmon." When the question was at length put, at 10 o'clock at night, after seven hours' disputation, that gentleman was elected by a majority of eight votes to the Speaker's Chair. There is no doubt that the manner in which this election was conducted must have tended to impair the dignity and the authority of the successful candidate, whose qualifications had been subjected to a most disparaging and unprecedented criticism by his political opponents. Happily, he managed to hold the position for the remainder of the session with general approval, the only dissentients from his rulings during that period being three of the active objectors to his election.

Some account of the conference of State Premiers, which was held in Melbourne from 13th to 21st August, is necessary to throw light on the principal legislative work of the session. Despite the opposition shown in some quarters to subordinating the autocratic powers of the Federal Parliament to any arguments by outsiders, sensible persons recognised that the relations with the States demanded consultation rather than coercion. The formal opening of the conference in the State

Parliament House by the Governor of Victoria, and the sympathetic speeches of the Premiers of New South Wales and Queensland, promised well. So long as the talk was confined to State representatives, the interest displayed by the public was kept alive by the Press. But when, on the 16th August, Mr. Deakin, Mr. Cook, and Sir John Forrest were inducted into the conclave, the doors were locked behind them, and all eavesdroppers warned off. The expulsion of reporters, and the solemn pledges of secrecy exacted from the members of the conference, excited strong condemnation by the Press generally. Yet it was worth remembering that each of the ten previous gatherings of this character, absolutely resultless as they were, had provided material for hundreds of columns of journalistic comment, which was really time and talent wasted. It was, therefore, rather a merciful idea to try, *in camera*, whether anything could be done that should be more deserving of such wide attention. Probably both time and temper were saved by removing all temptation to "talk to the gallery." Absolute unanimity was reached within a week on financial proposals that had for some years proved insolvable by public discussion. The views of the State Premiers might have been influenced by the near approach of the period when the expiry of the Braddon clause would leave them dependent upon the grace of the Federal Parliament for such revenue as it might "otherwise provide." Certainly their demands were less aggressive than in former meetings, and though it was said that in doing their best for the States they had succeeded in fettering the Commonwealth, the result had been won by frank and cordial discussion, where both sides were desirous of preserving harmonious relations.

The important questions before the conference were three in number. First, an agreement as to the future revenue to be paid to the States when they would cease to be entitled to three-fourths of the Federal income, on 31st December, 1910; second, the consent of the States to the transfer to the Commonwealth of the whole of their existing debts—nearly £250,000,000 sterling—with a view to their gradual conversion into one

uniform Australian stock; third, the concurrence of the States in a power to be taken under the proposed Interstate Commission Bill, whereby the Commonwealth should be authorised to adjust industrial questions, where interstate competition was proved to be injurious, on such matters being referred to it by a State judicial tribunal. This last condition, which was intended to keep alive for electoral purposes an assumed interest in the New Protection, was not embodied in the agreement with the Premiers, and as the Interstate Commission Bill failed to reach the dignity of an Act, it may for the present be passed over.

Nor was the provision for the transfer of the State Debts made definitely compulsory. The published agreement only declared that, with a view to such transfer, "a complete investigation of this most important subject shall be undertaken forthwith by the Governments of the Commonwealth and the States." It was indeed a part of the long-standing and often-declared policy of Mr. Deakin that the transfer must go hand in hand with any future allotment of revenue. He had repeatedly declined to entertain suggestions by the State Premiers for dealing with the one matter without the other. The secrecy of the conference debates precludes a knowledge of the arguments which induced him to waive that decision; but it may be assumed that he had sufficient assurance of the consent of the State Parliaments, and only refrained from embodying it in the agreement upon the contention of the Premier of New South Wales that it might prejudice in that State the adoption of the other and more important financial proposal.

For, the main object of the conference was the settlement of the future payment to the States, and it was around this that the keenest debate ranged. Payment of a definite sum, whatever form it took, would save all the voluminous bookkeeping analysis of Customs receipts and interstate transfers. The States would be able to calculate exactly what they were to receive, no longer waiting in anxiety for the delivery of the Federal Treasurer's Budget. The Commonwealth being free

to levy duties which exactly fitted requirements, could keep its finances balanced without resort to direct taxation. Federal Ministers were at first in favor of a fixed lump sum, suggestions for which had ranged from £7,000,000 down to £5,000,000 per annum. Discussion seems to have changed it into a definite contribution of so much per head of the inhabitants of the several States. The amount originally asked by the Premiers was something a little over 31s. But this would take over £6,500,000, and leave the Commonwealth crippled in dealing with important new works urgently demanded. While one side asked 31s., the other offered 23s., which was equivalent to the amount suggested by Mr. Fisher in his Gympie speech. By a process not unknown to shopkeepers, which might for this occasion be called persuasive diplomacy, a happy identity of opinion saw in 25s. an acceptable resting place. But the State Premiers in making this great concession, which involved the surrender of £2,000,000 a year, as compared with their present receipts, reasonably required that permanency should be assured before they consented to accept it. The Prime Minister was faced with a serious difficulty. In the negotiations for the formation of the Fusion Government, it had been agreed that the arrangement to be substituted for the three-fourths allocation should be "temporary." In defining the position of the Government when assuming office, Mr. Deakin had informed the House that a scheme was being prepared "that will enable us to make an interim arrangement for a period as long as will be necessary to permit the vaster financial problem to be studied." In reply to an interjection "How long?" he replied "Five years." Subsequently he said it would be for Parliament to determine how long it should prevail. Under pressure, possibly as a last resort, he now waived his original intention, and consented to prepare a measure embodying the *per-capita* allowance of 25s. per head in the Constitution, an alteration to that effect to be submitted to the electors by a referendum.

Presumably, the Prime Minister and his two colleagues did not yield to the arguments of the State Premiers without the

concurrence of the Cabinet; but they did not consult their supporters, and some, who had taken a leading part in bringing about the Fusion, were loud in their dissent from the concession. When the agreement came before Parliament, on the 8th September, Mr. Deakin defended the course he had taken in one of his most brilliant speeches. For nearly three hours he kept a full House interested and attentive. He admitted that his views had changed during the conference. When he realised the commitments of the States, which were placed before him, he felt it would be unfair to leave them dependent on the will of a majority in the Federal Parliament, changing from day to day. Above all, though firmly believing that the arrangement was a just and desirable one, he was careful to point out that its ratification or rejection rested now, not with Parliament, but with the people at large, to whose decision it had to be remitted. His glowing anticipations that it would be enthusiastically ratified by the final tribunal were doomed to remain unrealised.

It is worth noticing here that the closing of the doors on the discussions of the Premiers' Conference, brought about a change of attitude towards Mr. Deakin by the Protectionist journal which had been his political foster-parent from the days of his youth. His concession of permanency to the financial arrangement with the States transformed the long championship of his every action into a relentless hostility. During the active period of the Fusion Government, and the stress and turmoil of the following general election, it lost no opportunity of compassing his downfall. And, indeed, its vendetta was nearly successful, for the Prime Minister's seat at Ballarat, which had hitherto been regarded as his prescriptive right, was only saved to him by a small majority.

The day before the Premiers' Conference assembled, the Treasurer, Sir John Forrest, made his Budget statement. It is needless to record the details, for the estimates framed were liable to the prospect of considerable alteration by the pending discussion on the return to be made to the States, and also on the result of the Imperial Conference in London, as to the part

Australia would have to take in the general scheme of Defence. In round figures, the Treasurer stated the total receipts for the last year at £14,350,000, and the expenditure £6,420,000. For the coming year he estimated to receive £14,550,000, and to spend £7,860,000. In the last year, under the three-fourths plan, the States had received £7,930,000, and on the same basis they would be entitled in the coming year to receive £7,880,000. But, owing to the increase of £1,440,000 in the estimated expenditure, there would remain only a balance of £6,690,000 to pay it with. After defending the increased expenditure, which was fully accounted for in the further provision for Old-Age Pensions, the expansion of the Defence Department, and the necessary rehabilitation of the Post and Telegraph branch of the service, the Treasurer proposed to meet the deficiency by the issue of Treasury Bonds for £1,200,000, to be repaid at the rate of £300,000 a year, commencing on 1st January, 1912. He was insistent upon the deficit being exceptional and temporary, and without any chance of repetition when the Commonwealth came into its own at the end of the next year. The House declined to take this optimistic view. It professed keen anxiety about things omitted. It wanted to know what anticipatory provision had been made for taking over the Northern Territory, for building two great trans-continental railways, and a few other items of magnitude, including another necessary million for the Post Office. From the Ministerial side even there were many voices against borrowing. When it was pointed out that, but for the £1,500,000 which had been set aside for Old-Age Pensions, the Budget would have shown a surplus of £300,000 instead of a deficiency, it was taken to mean that the Treasurer was prepared to borrow money to pay the pensions. The notion of passing on to the next generation the burden of a beneficence, for which we took all the credit, was not without its humorous side. But the opposition to borrowing was a fixed principle with the Labor Party, and, but for loyalty to their comrades, would have been quite as strongly expressed by many of the Fusionists. By arrangement, the debate on the Budget was,

for the first time, brought on in the Senate on the day after its delivery, and was carried on there until the 2nd September with an equally strong condemnation of borrowing. The uncertainty as to the acceptance by Parliament of the agreement with the States Premiers kept the financial position from being properly defined, and the Treasurer was heckled about his Treasury Bills, which he refused to abandon. By the middle of October, the Prime Minister was able to say that if the Bill validating the agreement with the States was passed, a loan would be unnecessary; but if it was rejected, the Budget proposals would be proceeded with. The solution was not reached, for though the agreement was endorsed by Parliament, it had to be referred to the people, by whom it was rejected.

The restless desire for experimental legislation, so continually shown by Parliament, was marked by the manner in which many of the Members chafed under the restrictions imposed upon them by the Constitution Act. In previous chapters it has been shown how, on more than a dozen occasions, proposals were submitted and discussed that were quite outside the powers derivable from the Act. In 1906, three Bills were brought in for the purpose of altering it. In this session no less than five Bills were introduced for the purpose of surmounting its limitations. Two were fathered by the Prime Minister in the House of Representatives, and three were introduced in the Senate by private Members. Of the Senate Bills, one aimed at the Nationalisation of Monopolies by the Federal Government, singling out specially the shipping interest, coal mining, the tobacco trade, and the sugar industry. Though this Bill lapsed at prorogation, without reaching the Representatives, the substance of it was warmly debated there on a motion by Mr. Hall, that it was desirable "to confer on the Federal Parliament the power to own and control monopolies"; but the proposal was talked out. It was destined to be heard of again. The second Bill, introduced by Senator Trenwith, proposed to amend the 51st section of the Constitution Act by adding to the subjects with which Parliament was empowered to deal, "The adjustment of industrial conditions in the various States." It

had a fair debate, but was rejected on the second reading. The third Bill, introduced by Senator Neild, sought the establishment of a right of appeal to the High Court of Australia in criminal cases. The gallant Senator made out a very good case; but whether it was that lawyers resented the intrusion of a layman into their special preserves, or whether there were technical difficulties not easily grasped by the average man, it is certain that the motion failed to grip attention, or even in the end to command a quorum for its discussion.

The two Government Bills, which were the direct outcome of the conference with the States Premiers were, unlike the Senate Bills, certainly not aggressive towards States rights. They had but one object—the final severance of the Commonwealth and State finances, and the simplification of future fiscal relations. They were known as the Constitution Alteration (Finance) Act and the Constitution Alteration (State Debts) Act. Concise and unimportant as they appear in form—for practically the first contained only three sections, and the second only one—they stirred controversy in Parliament to an extent quite unprecedented. The application of the Prime Minister, on 3rd September, for leave to bring in these Bills was resisted by every technical form available, and when the debate got really started five days later, it was not until the 6th October that leave was given and the "Finance" Bill introduced. The second reading and the Committee stages extended to the 11th November, when the Committee's report was adopted. On the motion for the third reading, the debate broke out afresh, but was summarily brought to an end by the "closure," and the division gave the Government a majority of twelve. There was also the statutory majority of Members of the House, as required for any alteration of the Constitution. The result led to a very unseemly wrangle, caused by Mr. Hughes accusing the Speaker of showing gross partiality in preventing him from speaking by preferentially calling upon the Prime Minister, who had promptly moved the "closure," and stopped the debate. The Bill went to the Senate, where, after a debate extending to the 1st December, its third reading was carried by an

absolute majority. The "State Debts" Bill was not mandatory—it merely permitted the Commonwealth to take over the debts of the States at any time by eliminating from the Constitution Act, Section 105, the words, "as existing at the establishment of the Commonwealth."

This three months' debate, which in point of talk and energy occupied nearly one-third of the sitting time of the whole session, retains only an academic interest, from the fact that the "Finance" Bill, which provided for the *per-capita* payment to the States, was rejected at the referendum by a majority of about 25,000 votes on a poll of 1,280,000. The "State Debts" Bill, which had really met but little opposition, and was only carrying out the original intention of the Constitution, was accepted by the same tribunal by a majority of about 125,000. Although the result of the referendum was to leave matters where they stood before this flood of oratory had swept over them, the labor had not been absolutely unproductive. It brought out in strong relief the fact that there was a full recognition by Parliament of the advantages of a definite payment to the States, and practical unanimity as to the amount. It seemed a simple matter to ask the House to vote for a payment with a time limit, or one in perpetuity, under the guarantee of the Constitution. No doubt, if a straight vote could have been taken, the former opinion would have preponderated. But there were conflicting issues, inimical to a plain answer. There was no ground for treating the actual question as a party one, and such a course was deprecated by many of the speakers; yet it was party feeling that strung out the long contention. The Opposition declared that the Government had been concussed into accepting an ultimatum from the States, under threats of organised hostility to them at the approaching general election. Their anger was stirred by the belief that the Fusion Government had submitted to dictation by outsiders as to its course, and had thereby humiliated Parliament in a way it would not tolerate.

Out of a hundred talkers, there was probably not a couple of score who were capable of taking a statesmanlike view of all

that was involved in this question, and on neither side of the House was there absolute unanimity of opinion. Some seven or eight members of the Fusion were in mild revolt, yet, while declaring that the Prime Minister had exceeded his powers at the Premiers' Conference, they felt that as the head of the Government his honor was pledged, and it would be mean to desert him. There were others who had in many public utterances declared themselves in favor of the time limitation, but who had honestly altered their opinion, and were now a little afraid of the effect of their conversion in the minds of their constituents. The Ministerial dissentients, represented by a Committee, consisting of Messrs. W. H. Irvine, Robert Harper, G. H. Reid, and Dugald Thomson, had been in active but unsuccessful negotiation with the Premiers of New South Wales and Victoria for a modification of the bond. Some of the suggestions discussed took the form of leaving it to the electors to say whether they would accept the agreement as it was, or limit it to fifteen or twenty years. But this was recognised as an abnegation of Parliamentary responsibility. Mr. Harper, whose reputation as a financier commanded respect, and who had propounded a solution of the difficulty, which comprised an automatic termination of the payments, felt constrained to move an amendment to give effect to his proposal. It was to fix the payments to the States at the rate proposed "until such time as such payments amount to an annual sum of £7,500,000, and thereafter until the Parliament otherwise provides." The motion was defeated by a majority of one on the 10th November, and the debate went on until, as already related, the third reading was carried two days later by 39 votes to 27. Mr. Harper, though present, declined to record his vote; there were seven absentees, and these, with the Speaker, made up the full complement. Arrangements were at once made for submitting the two Bills to the people, and the Opposition, protesting that they had been defeated by a juggle of party votes, turned their attention, with marvellous success, to educating the final tribunal that was to give its decision in April, 1910.

The fact that the session dealt with 47 Bills, exclusive of

those for appropriation and supply, indicates a pressure such as the House had not been used to in the days of conflicting party combines. The business could certainly not have been accomplished but for a free use of the "closure." This persuasive adjunct to debate did not cure the outbursts of defiant disorder; indeed, it sometimes provoked them, but it did often enforce some decision when a subject was being talked threadbare. The recorded debates show that, frequently as it was applied, it was mainly used as a last resource against deliberate party obstruction. Fiercely as it was denounced, its beneficent results often excused its apparent tyranny.

Twenty-five of the Bills introduced were either rejected or lapsed on the prorogation of Parliament. Of these, the most important and the most lengthily debated was the Northern Territory Acceptance Bill, which embodied the results of negotiations between the Federal Government and the Premier of South Australia in 1906 for the transfer of the Northern Territory to the control of the Commonwealth. It involved a payment to the State of the amount expended in the development of the Territory, £3,350,000, and an undertaking to complete a railway line from the northern boundary of South Australia to Port Darwin. The total liability to be assumed under the Bill approximated to £10,000,000 sterling. The Bill passed the House of Representatives after much opposition and several divisions; but in the Senate the clauses relating to the construction of the railway were struck out, and the Government allowed the Bill to drop. The measure was one of broad national interests, differing widely from the main stream of legislation which busied itself with schemes for the control of wages and hours of labor. There were very few who dissented from the necessity of occupying and developing these waste spaces in the north, which South Australia could not afford to do. Many who opposed the Bill did so in the belief that the terms were hard, and that by standing off a while the State would be compelled to modify them, especially in the matter of the railway. Seeing that the Territory offered is more than six times the size of the State of Victoria, and that its dwindling population

is only 1100 white people, and under 2000 Asiatics, it could hardly be safe to leave it open and undefended. Sooner or later the transfer, at whatever cost, had to be effected.

Of the 22 Acts which were passed, no less than nine were amendments of existing Acts to correct errors of hasty legislation, or to give the benefit of acquired experience, the latter condition being exemplified in the Commonwealth Electoral Act, which was the sixth Act dealing with this subject passed since 1902. The Australian Industries Preservation Act was the second amendment of the original Act passed in 1906, as to which there were already some huge actions at law pending in the High Court. This amendment was necessary for the purpose of striking out certain clauses in the original Act which had been declared *ultra vires* by the High Court in some proceedings brought under them. Advantage was taken of the opportunity to insert some new clauses, making any agreement between buyer and seller for exclusive trade a crime, punishable by heavy fines or imprisonment.

In addition to these amending Acts, there were five which might be called machinery Acts, since none of them involved any justly contentious principle. These were :—The Coinage Act, which included a specification of the weight and fineness of coins to be issued; the Officers' Compensation Act, authorising certain sums to be paid to the families of deceased officers; the Seat of Government Acceptance Act, scheduling the lands to be transferred by the State of New South Wales, in terms of the Seat of Government Act of 1908, and setting out the general conditions for the future ruling of that country; the Surplus Revenue Act, which provided for debiting Old-Age Pension expenditure ratably amongst the States, was a corollary of the important "Finance" Bill, which awaited the referendum. The Telegraph Act gave power to the Government to assume control of telegraphic communication of every form in the time of emergency. These were all fairly simple measures, with a defined object in view, and though none of them was altered by discussion, they all provoked considerable debate.

There remained then eight important Acts, two of which,

providing for an alteration of the Constitution, have been already dealt with. Two others, the Bills of Exchange Act and the Marine Insurance Act, belong to the commercial phase of legislation. Neither of them contained any startling innovation upon the law and practice prevailing in the States. They were mainly codifications of existing laws on the subject, and correcting some anomalies arising out of variations in the local statutes. Both of them had been fully debated in previous sessions, and both dealt with subjects specially assigned to Federal control by the Constitution Act. Such opposition as they encountered from the Labor side of the House was due to the expressed opinion that as neither of the Acts materially altered the laws in operation, their consideration was wasting time that could be better employed in discussing matters which were necessary to shake up things in the industrial world. But picturesque sensation had to give way to the prosaic claims of business.

Probably the Ministry regarded the Defence Act as the great work of the session. Nine years had elapsed since Sir John Forrest was appointed the first Minister of Defence, and nothing in the shape of a definite policy had yet been reached. There had been a most lamentable want of continuity in principle. A General Officer Commanding had been replaced by a Council of Defence, and by Boards of Naval and Military Administration. The recommendations of eminent military experts had been controverted, and under the machinery Acts of 1903 and 1904, such a vast mass of regulations had been gazetted from time to time that it was difficult for the ordinary man to realise the position. With the exception of arranging some disciplinary instruction for school cadets, very little had been done in the way of training. At the end of nine years, and after an expenditure of over five millions sterling, the strength of the military forces under the command of the Commonwealth was about 5000 less than it was when taken over from the States. The "Defence Act 1909" aimed at providing something more than a military bureaucracy for the large outlay involved, and the Government did not shrink from making that

outlay larger if something tangible in the way of real Defence could be obtained. In the light of experience many of the clauses in the preceding Acts were amended, and some were added, one, notably showing the tendency of the time, providing for the establishment of a Government clothing factory for dressing the troops. But its chief claim to approval was that for the first time it laid down the principle of universal obligation in the matter of training, so that in the near future all healthy male inhabitants of Australia, with a few insignificant exceptions, could respond to the call to arms when danger threatened. To make that call effective, a system of compulsory training, in graded stages from twelve to eighteen, from eighteen to twenty, and from twenty to twenty-six, would cover the steps towards a sufficient reserve for times of emergency. These reserves, as a supplement to the permanent and instructional forces, would, it was estimated, by automatic increase enable the Commonwealth in about seven years to command the services of 206,000 well-drilled and trained men. And, owing to the very moderate time limit fixed for drill and camp experience, it would be done without inflicting any serious hardship on the productive industries of the country, such as are so apparent in the conscriptions of Continental Europe. The cost was estimated to reach £1,750,000 per annum, and with another £750,000 for Naval Defence, the peace footing of the Australian Army and Navy would require an outlay of £2,500,000. In addition, the latter branch of the service required a preliminary capital outlay of £3,750,000 to pay for the vessels forming the Australian unit of the British Navy, in terms of the recommendations of the Imperial Naval Conference just closed. The outcome of that conference had been that, while New Zealand preferred to continue the existing form of a cash contribution, Australia had undertaken to provide the nucleus of an Australian branch of the Imperial Pacific fleet, consisting of one armoured cruiser of the "Indomitable" class, three armoured cruisers of the "Bristol" class, six destroyers, and three submarines, with the necessary auxiliaries. The Commonwealth was to receive some temporary assistance from the

British taxpayer, estimated at about £250,000 a year, towards maintenance. In time of peace the control of the fleet would be with the Commonwealth; but it would pass under Imperial direction whenever required for war service. It was to be manned by Australians, supplemented by Imperial officers and men for training purposes, and the whole strength of the 2200 men was to be brought up to the standard of the British Navy.

To meet the preliminary outlay, a Naval Loan Act was passed, authorising the Government to borrow £3,500,000 by the issue of inscribed stock, redeemable within twenty years by a sinking fund of 5 per cent. But all these elaborate provisions, and their wearisome days of discussion, were not to be crowned with immediate success. The Defence Act was to come into force by proclamation on a day to be named. The Ministry which carried it was swept out of office without any proclamation having been made. Another Minister of Defence, the tenth, took the reins, and, as will be seen, brought in another Defence Act, the fourth, which meant further delay. The Ministry he represented were sternly averse to borrowing in the open market, and one of their first measures was to repeal the Naval Loan Act before any operations had taken place under it.

The two remaining Acts demand a brief notice. The Seamen's Compensation Act was a humanitarian endeavour to extend to the followers of a hazardous calling the benefits enjoyed by workers on land under the Employers' Liability Acts. There was no real opposition to the principle of the Act—indeed, it was only a belated following of English example; but it was a Government measure, and the Opposition in the Senate invented various reasons for delay. Hence, although it was introduced by Senator Millen early in July, it was not until the last week of the session that it reached finality.

The High Commissioner Act had an interesting career. On the 26th May, 1902, the Governor-General's Speech had impressed the necessity of an early appointment of this functionary. For six years there were at intervals statements that the matter was urgent, and that it was receiving attention.

As one Ministry succeeded another, the question was frequently pressed, When was it going to be done? Latterly, when it seemed that some action must be taken, the question often took the form of who was going to get the appointment. While there was a general consensus of opinion that a High Commissioner in London was essential for the proper representation of the Commonwealth Government, there was a wide divergence as to the qualifications of the man who was best suited to, or most worthy of, the dignity. The difficulty of a decision on this point was probably the chief cause of the long delay. It was frequently urged that the £35,000 a year which the States were expending in maintaining their six Agents-General could, as regarded a large part of their functions, be materially reduced by concentration under one head. For this some preliminary arrangement with the States was, of course, necessary, and none had been made. Much silly talk was indulged in about the "slanders" on Australia, published in English newspapers, and the necessity of having one powerful representative to refute them, instead of six small voices, which only spoke when their own particular State was "attacked."

In the course of this Act through Parliament, where it encountered in all no fewer than fourteen divisions, the personnel and the pay were at the bottom of all the disputes. Though no names were mentioned, most of the criticism was aimed symbolically at Sir John Forrest and Mr. G. H. Reid, who were supposed to be well up in the running. Mr. Hughes and others made repeated attempts to get the "some person" of the Act replaced by a proper name, even if such a process should necessitate a fresh Act when each subsequent appointment was made. When these efforts failed, amendments were unsuccessfully moved in turn that the appointment should be made before prorogation to allow Parliament an opportunity of review; that it should be made subject to the ratification of the existing Parliament; that it should be made before the 30th November, 1909. These and other points were tested by divisions; but the Government won, and retained uncontrolled the exercise of its patronage. Attempts were made to intro-

duce a clause excluding all Members of the present Parliament from the selection. In the Senate, an old standing proposal was revived that the High Commissioner should be elected by an exhaustive ballot of the Members of the two Houses sitting together. On the question of salary, wherein opinions ranged between £3000 and £10,000, it must be admitted that many of the Labor Members showed a leaning to a greater generosity than the Government proposed; indeed, it was Mr. King O'Malley who tested the House by his motion to make the salary an inclusive £6000, in which he was defeated by a majority of thirteen. The amount fixed by the Act, £3000 salary, and £2000 for the maintenance of official residence, was a compromise that did not err on the side of extravagance, and the few who declared it excessive were quite an insignificant minority.

As the session drew towards a close, the Government was plied with requests to name the man; but even after the Act was passed, "they had not yet had time to deal with the question." On the last day of the Parliament, under pressure by Mr. Fisher and others, Mr. Deakin said that no decision had been arrived at, and he was unable to redeem his promise to announce the name in Parliament this session. Momentous changes relieved him of the responsibility of doing so in the next. An attempt to draw Sir John Forrest was equally unsuccessful. He knew nothing about it, and had refrained from making any enquiries. On the day when these official denials were being given, the Melbourne "Argus" announced that the position had been offered to the Right Honorable Sir George Houston Reid, who had been made a K.C.M.G. on the 9th November, as part of the birthday celebrations of King George V. The confirmation of this news by the Government a week later evoked universal approval, equally marked amongst the Labor Party, with whom Sir George had so long been in conflict, as by the whole community. It was a remarkable tribute to the magnetic influence of the High Commissioner's genial personality, and it showed implicit confidence in his readiness to rise above all party strife.

and to devote his great abilities to the representation at headquarters of the best of Australia's interests.

The valedictory proceedings in Parliament, at the adjournment on the 8th December, were, on the part of the Prime Minister, briefly congratulatory; but he had to listen to mournful jeremiads by three or four Members on the subject of his treacherous abandonment of the "New Protection," which had been so shamelessly shelved. It was too late for anything but grumbling, and doubtless the charges were intended by the grumblers to please their constituents rather than to annoy the Prime Minister.

CHAPTER XIV

THE GENERAL ELECTION OF 1910

THE first three months of 1910 witnessed an outburst of political activity far in excess of anything the Commonwealth had yet known. Though the supporters of the Fusion Government had not been absolutely unanimous on the question of financing the States, there was no serious disintegration, no third organisation to embarrass the electors. It was a clear cut party contest between the Government—which was variously called Liberal, Conservative, or Reactionary, according to the point of view—and the Labor Party, which was similarly dubbed Progressive, Revolutionary, or Socialistic. The labels used generally by the Press or on the platform had really little meaning, and were often maliciously misleading. The masses saw the contest only as between the Government and Labor. However unpalatable the truth may be, all who have attended many election meetings know that the majority of the voters adopt the opinions imposed upon them by their favorite paper, or their favorite orator. They are rarely the result of slowly-reasoned conviction. Perhaps the most notorious example of this was in the general election in Victoria in July, 1880, when the fickle multitude, under the glamor of Graham Berry's oratory, overwhelmingly reversed the decision they had given by immense majorities at the polls only seven months before. Hence, the bringing about of these violent swings of the pendulum is nearly always due to the superior organisation of one party, plus the magnetic personality of the successful candidate, who has stirred the unconscious aspirations of his hearers.

In this election contest of 1910, it must be admitted that the organisation of the Labor Party gave them a right to expect

success. They had worked hard for some years in enforcing party discipline, and ensuring solidarity. Their periodical Labor congresses, their frequent conferences in Caucus, and their unity of mind about their objective, were all factors in avoiding dissension in the ranks. Though some of the leaders of the Party affected moderation, the objective was openly declared by the rank and file to be the inauguration of a Socialist millennium. They declared themselves tired of accepting what they regarded as only palliative legislation, and desired a complete reconstruction of the social system. Their contention that Labor did not receive its fair share of reward in that prosperity which it was mainly instrumental in bringing about, and that capitalism was its unscrupulous foe, were certainly open to argument. But that they believed, whole heartedly, that the social conditions could be enormously improved, if not perfected, by legislation is beyond question. Hence, their party set forth an alluring programme, which beguiled the masses with promises of the unattainable, and very few cared to question the possibility of its realisation. Further, the numerical strength lay with the workers, and amongst them there was a widespread indignation at what they believed to be the unfair treatment accorded to the short-lived Labor Ministries of Mr. Watson and Mr. Fisher. They determined that the hour had come for giving a fair trial to those schemes of social regeneration which they had heard preached so long, and which, with their strong class prejudice, they believed were being retarded by the selfish action of the greedy capitalist.

It cannot be said that they spoke with one voice. The Manifesto issued in March by the Australian Labor Party, bearing the signature of Mr. Fisher, was probably the most temperate in tone of the many appeals sown broadcast throughout the electorates. It claimed that every measure for the real benefit of the community had originated with, or been perfected by, the Labor Party. It repudiated borrowing, and promised if the party was given a working majority, it would proceed at once with legislation which, it declared, the people had been demanding for five or six years. "New Protection" was to

become a reality. Monopolies would be nationalised. A cumulative tax on unimproved land would be levied on all large estates to the bursting-up point. When that had been accomplished, but not till then, immigrants would be welcome. Defence would be put on a firmer basis than the Fusion Government had been able to conceive. Old-Age Pensions would be revised with a view to placing them on a more liberal footing. A Commonwealth Bank would materially assist the national finances, and the States would be treated with a liberality equal to anything that had been offered, except in the matter of perpetuity. The restraining influence of possible official responsibility tempered the tone of the programme signed by Mr. Fisher. With the exception of some ungracious sneers at "the political treachery of men upon whose word no reliance can be placed," by which he indicated the Fusion Government, the document was not specially aggressive as an election placard. The New South Wales Labor Conference went much further, and put forth their ultimatum in minatory form, proclaiming Government interference in most of the affairs of life. By 95 votes to 35 they carried a resolution that the States should be required to hand over to the Federal Parliament the power to legislate in all industrial matters.

It was reserved, however, for the Political Labor Council of Victoria to declare that "Labor stands everywhere for the people, and the Fusion fights for the monopoly of wealth and power. It is only through the bad Government of the Fusionists that there is unemployment, low wages, high prices, and poverty." Upon this text they based a manifesto, which treated all the unrealisable ideals of revolutionary Socialism as axiomatic truths, and promised the abolition of rent, profit, and interest. Throughout its sonorous periods there ran persistently the declaration that the working man was being robbed by "a few parasites who feed on men and women," who, as land-owners, "have driven the flower of the Victorian population from their homes." Banking, it said, "is one of the frauds by which capitalism bleeds the people. Labor proposes to establish a Commonwealth Bank, with unlimited powers, which will

enter into competition, and the gradual extinction, without compensation, of the present banks will follow as a matter of course." In such terms it sought to inflame the cupidity of the wage-earner, and to inspire a belief that if only justice was done to him, he ought to receive a full share of that capitalised industry which others had laboriously converted into property.

Indefensible as was the tone of these election manifestoes, issued in the supposed interest of the Labor Party, it has to be remembered that a most deplorable strike of the Newcastle coal miners, taking place concurrently, had greatly embittered the partisans of the miners, and had engendered defiant language and action towards all constituted authorities, such as, in any but an Anglo-Saxon community, would certainly have culminated in bloody reprisals. The Labor papers of the period flouted every principle of law and order, bullied the magistrates, and derided the decisions of the Courts, openly charging the majority of the Judges of the supreme tribunal with animus and partiality. This inflammatory matter, chiefly arising out of the acrimonious discussions provoked by the strike, was passed on into the electoral arena, and many a Labor candidate used it to the full in demonstrating the miseries of the strikers and the villainy of capitalism. As the electoral contest proceeded, a few newspapers of more influence, notably the organ of the clamant Protectionists, took a similar attitude of disparagement towards Governments, Federal or State, and substituted shrill scolding for argument or remonstrance.

It is to the credit of Mr. Hughes, whose attacks upon the Fusion Government had been models of vituperation, that he threw himself into the coal miners' struggle with the best intention of restraining the men from those acts of violence to which their Press supporters were urging them. It cannot be said that he got much credit from either side for his interference; indeed, he got a fair amount of abuse from both, yet there is little doubt that he was instrumental in preventing the strike spreading universally, to the paralysis of all industries. People were not wanting who declared that it would have been better to let the strikers take their extreme course for the sake

of the permanent reaction which was bound to follow. Oppressive as was the rule of the ever-encroaching new unionism to those outside the bond of brotherhood, it would have been a terrible price to pay for its overthrow. No one could contemplate without horror the social wreckage that might follow an outbreak of 20,000 workless men, furious under a sense of wrong, and desperate with the spectacle of wives and children wanting food. Happily, the strike was brought to an end a few weeks before election day; but it had occupied a prominent place in the speeches of candidates, especially in New South Wales. It cost the miners over half-a-million sterling in lost wages, it depleted the funds of their unions, it dislocated trade throughout Australia, threw much labor, apart from mining, into the ranks of the unemployed, and it inflicted lasting injury upon the port of Newcastle—a great maritime asset of New South Wales. It is certain that the intense personal feeling stirred by this misguided strike, and the unhappy results entailed on some of its leaders, was a prime factor in influencing the coming election very largely in favor of the Labor Party.

Though Mr. Hughes had to some extent been diverted from his election campaign by his efforts at conciliation, Mr. Fisher had been vigorously active. In Queensland, New South Wales, and Victoria, he commanded large and sympathetic audiences, especially in his own State. In the Melbourne Town Hall, on the 30th March, he had such an enthusiastic following that it was necessary to hold an overflow meeting of a thousand people in the adjoining street. But a more promising augury of success than the mere attracting of miscellaneous crowds was the capture of the Australian Natives' Association. That influential and wide-spread organisation, at its annual conference, despite the protest of its President that it was debarred from dealing with party politics, had denounced the Fusion proposals by a large majority, and hoisted the Labor banner.

And what was the other side doing to prepare for battle? The brunt of the fight fell on Mr. Deakin, and he stood up to it with an iron resolve. He opened the campaign in his own electorate at Ballaarat early in February. To a friendly

audience of some 8000 people, he reviewed, with approving touches, the work of the last session, and he outlined a policy for the future full of attractive promise, but as it turned out, hopeless of realisation. Thence he proceeded to Sydney, and in half-a-dozen important centres in New South Wales made stirring appeals. Then to Adelaide, and once more back to the north, speaking during the month of March in all the leading towns of Queensland. April was devoted to Victoria, where, after occupying many platforms, he wound up his tour of 8000 miles by a final rally at Ballarat on the evening before election day. It was a great feat, both mental and physical, and, as a rule, throughout the tour he received a courteous hearing. It was, however, a grievous reflection on Melbourne that in three important suburban electorates the Prime Minister was practically refused a hearing, and subjected to insulting comments and organised howling, senseless singing, and buffoonery. Many meetings of Government candidates had been broken up by similar tactics, and it was notorious that this form of obstruction was the weapon of one side only. Not a single meeting of Labor candidates had been disturbed in a similar manner. Without freedom of speech, a true democracy could not exist. The boon had been won by many a long struggle, and at the cost of much personal hardship in the past. Yet so far from valuing the glorious heritage, the class to whom it was most necessary was the most ready to refuse it to others. By offensive clamor they strove to suppress the expression of any opinion, which their leaders, journalistic and otherwise, instructed them to condemn.

In the disturbed temper of the time it is a question whether the active advocacy of the State Governments, and the part they took in supporting Fusion candidates, was not really rather an adverse influence. For they did not take up the cause in a half-hearted fashion. State Premiers issued manifestoes appealing urgently for the support of Mr. Deakin. State Ministers took the platform to assist the candidates of his following. When the daily papers announced that "the whole influence of the Premiers will be used in favor of Mr. Deakin,

as on his continuance in power depends the permanence of the arrangement," it was seized upon as an indication that the States had made too good a bargain. They were accused of what the Labor papers called "leg-roping the Commonwealth." In the ethical standard of these journals it was incredible that so much anxiety should be shown to keep the Federal Parliament up to its pledged word, unless there was some illegitimate advantage underlying its fair seeming. The many rejoinders put forth by Mr. Deakin were met by the Labor papers quoting against him the opinions of the dissentients in his own party, Mr. W. H. Irvine, Mr. Robert Harper, Mr. Agar Wynne, and others. The opposition of these politicians to the financial agreement with the States was in no case to the amount, but exclusively directed against its permanency. It was admitted that the sum adopted was not only reasonable, but that for the present it involved the States in a considerable diminution of revenue. This the Premiers had been willing to accept as a set-off to the advantage of permanency, and the progressive improvement with increasing population. But as the public opposition began to be loudly expressed, they realised that the concession they had made in the amount to secure permanency was likely to become the maximum, even if only granted temporarily. If the agreement was rejected at the referendum, they probably would never be asked to take part in making another, but would have to accept what the Federal Parliament in its wisdom might choose to grant. Apart altogether from the equities of the agreement, it had been arrived at, after full deliberation, by the unanimous decision of twelve Ministers of the Crown, representing the six States, and the three leading Ministers of the Commonwealth. It represented the supposed settlement of a matter which for five years had been the subject of fruitless conferences and irritating negotiations. Is it any wonder that the State Governments, backed by their respective Parliaments, did all in their power to help such a source of controversy to a quiet resting place in the Constitution, whence its restoration to the area of conflict would be, though not impossible, at least very difficult?

From the day of nomination on the 16th March to that of polling on the 13th April, the newspaper Press throughout Australia had an exciting time. If the electors failed in their duty, it was not for want of "bold advertisement" and urgent appeal. For the 75 seats in the House of Representatives, 159 candidates entered the lists. Of these, 73 were supporters of the Deakin Government, 68 were solid for Labor, 17 professed to be "Independent," and one man, who had acquired some notoriety in the strike riots at Broken Hill, boldly labelled himself a Socialist. This generous avowal, however, did not ensure him much support, and his deposit was confiscated by the Government he was up against. The "Independents" fared badly, only three out of the seventeen achieving success. They were Sir Wm. Lyne, Mr. G. H. Wise, and Mr. Austin Chapman, the last having the good fortune to be unopposed. Of the 73 Ministerialists, 30 were returned, of whom 28 were retiring Members, and the other two replaced Sir Thomas Ewing and Mr. Dugald Thomson, who did not seek re-election. The 68 Labor candidates secured 42 seats, no less than 17 of them being new men. The greatest gains of Labor were in Victoria, where it added seven new Members to its ranks. In New South Wales it added six, in Queensland two, and in Tasmania two. In South Australia and in Western Australia all the retiring Members were re-elected, and the old position was undisturbed. The result of the polling for the House of Representatives gave Labor 42 Members, with Sir Wm. Lyne and Mr. Wise as "independent" auxiliaries. It found 30 Ministerialists, with the "independent" support of Mr. Austin Chapman.

The result of the Senate elections was even more disastrous for the Ministry. Every one of the eighteen seats was won by Labor candidates. With five of that faith already in the Chamber, there resulted a solid phalanx of 23, animated by one dominant idea, to confront a body of thirteen, by no means so absolutely united. It is doubtful if at any time the Senate had really occupied the position contemplated by the framers of the Constitution—that of guardian of the interests of the States in all matters within Federal control. It had now certainly been

stripped of any pretence of separate usefulness. It became merely an appendage, necessary to give statutory force to the decisions of the party which dominated the other House—a party to which the 23 Senators owed equal allegiance, and a party that tolerated no trifling with the instructions it imposed on its Parliamentary representatives. As a Chamber of review, as a check on hasty legislation, or, as the originator of statesmanlike measures of national utility, it had been a failure. It had great possibilities under the Constitution, ample leisure to do good work, and to thoroughly investigate the basis upon which proposed legislation rested. It had almost unique power, for a second Chamber, to enforce its amendments. It was not subject to the keen party stratagems which so often blocked desirable results in the other House. But it succumbed to selfish party ends, and abnegated the distinctive character which had been projected for it.

To say that the result of the elections was a surprise, even to the victors, is a very inadequate statement. So complete a rout had not been believed possible by either side. And yet, although considerable Labor gains were practically inevitable, the sweeping triumph was largely aided by those who were not in accord with its claims. A scrutiny of the results shows that while the percentage of voters was higher than in 1906, being 62 per cent., as against 51 per cent., the "Liberal" vote was relatively lower than could be accounted for by any change of opinion. The fact is that the old "Liberal" party had suffered much loss of esteem by the divisions and squabbles within its ranks during past years. Under its former subservience to Labor, it had been responsible for measures which were the reverse of liberal, so that the enthusiasm of whilom supporters had been dulled. Further, an opinion had grown up that since the hitherto contending parties had agreed to combine, they were strong enough to stand successfully against Labor, as they had done during the last session. Misled by this false assumption of strength, many electors were prone to think that a few votes did not matter. Where it was convenient they voted; if it involved any special exertion, they did not. On the other

side, every man and every woman who could, even at much sacrifice, get to the polls did their duty. And without doubt, it was amongst the latter that the women's vote told effectively.

The two Acts, involving an alteration of the Constitution, which were submitted for ratification by the people, required for that purpose an absolute majority of voters, and a majority of the States. The Finance Act, providing for payment of 25s. per head of their respective populations to the States in perpetuity, was rejected by 670,838 votes, against 645,514—not an overwhelming majority in such a poll. Queensland, Western Australia, and Tasmania had majorities in favor of its acceptance, but were swamped by the more populous States. In South Australia the majority for its rejection was very small. In Victoria it was by far the largest, in accord with the precept, “a prophet is not without honor, save in his own country and in his own house.”

The Act authorising the taking over of the State Debts in their entirety was confirmed by 715,053 votes, against 586,271. It secured approval in five of the States, New South Wales being the only dissentient, where there was a majority of 160,000 against it. The lesson to be learned from this practical illustration of seeking the wisdom of the people as a guide in law-making was not very encouraging. No less than 942,000 electors on the rolls did not take the trouble to vote, and of those that did attend the polls, 96,000 wasted their votes through incapacity to properly mark their ballot-papers, despite voluminous printed and verbal instructions.

With the rejection of his cherished agreement, with two members of his Cabinet and several old colleagues unseated, and with the certainty of a compact and implacable majority in Opposition, Mr. Deakin could but bow to the inevitable. His long-established prestige had been rudely shaken in his stronghold at Ballaarat, where an unknown Labor man had polled nearly 10,000 votes against him. He accepted the new reading of *Labor omnia vincit*, and within a few days of the published results, he tendered the resignation of his Cabinet to the Governor-General. Mr. Fisher was then sent for, and

having, on 25th April, undertaken to form a Government, was allowed a week in which to complete his arrangements.

It was a busy and exciting week, which the Press kept lively by daily bulletins of progress, mainly compounded of prophetic imagination. The 65 members of the Labor Party in both Houses held long conferences in caucus. The most elaborate precautions were taken to ensure secrecy; but it soon became known that Mr. Fisher had been unanimously appointed Leader and head of the Ministry. The election, by an exhaustive secret ballot of the other members of the Cabinet, as required by the Federal Labor Conference of 1905, was fixed for 11 o'clock on 29th April. It had been decided that there should be ten Ministers—seven with portfolios, the Vice-President of the Executive Council, and two Honorary Ministers. The duty of the Caucus was to ballot for the ten, and to the Prime Minister was allotted the responsibility of assigning to them their offices. When the ballot took place there were 59 Members present, so each aspirant for office had to command at least 30 votes to ensure success. On its completion, Mr. Fisher devoted a few hours to allotting the duties to the several victors. This was soon accomplished, and by 6 o'clock the same evening he waited upon the Governor-General, with his nine colleagues, and they were duly sworn in. The eighth Commonwealth Ministry—the third representing the interest of Labor—was composed of :—

Mr. Andrew Fisher, Prime Minister and Treasurer.

Mr. W. M. Hughes, Attorney-General.

Mr. E. L. Batchelor, External Affairs.

Mr. Josiah Thomas, Postmaster-General.

Mr. F. G. Tudor, Trade and Customs.

Mr. King O'Malley, Home Affairs.

Senator G. F. Pearce, Defence.

Senator G. M'Gregor, Vice-President of Executive.

Senator E. Findley, Honorary Minister.

Mr. C. E. Frazer, Honorary Minister.

Four of the States were thus represented in the Cabinet by two Members each, while Queensland and Tasmania had each

one. Seven out of the ten had been members of Mr. Fisher's Ministry in 1909. The newcomers were Mr. King O'Malley and the two Honorary Ministers. The Minister for Home Affairs had such a reputation for eccentricity that it had been difficult to take him seriously in politics. A Canadian by birth, he had lived much in the United States, first as a bank clerk, and then as an insurance canvasser—a form of enterprise that has reached its most daring eminence in America. He migrated to Australia, and after following his calling for some time in South Australia and Victoria, turned his attention to Tasmania. There, the nature of his profession gave him ample opportunities to diagnose the political situation, and as a result of widespread personal popularity, he was returned to the first Federal Parliament in the interests of Labor. He has been re-elected at the head of the poll three times since. Presumably, his supporters in the Caucus imagined that the sense of official responsibility would restrain the tendency to caricature political life, which had distinguished him as a private Member; and amongst his colleagues he was credited with a profound knowledge of finance of the "advanced" order. The antecedents of the two Honorary Ministers were unimportant. They were both ultra-radicals in their views, and saw little of interest that did not in some way or other touch Labor. The remaining work of the Caucus was the selection of the Speaker. Mr. Mahon and Mr. Spence, who were nominated in succession, having declined to go to the ballot, Mr. Charles M'Donald (Queensland) was unanimously chosen as the party's candidate. The Senators held a ballot some weeks later, and selected Mr. Henry Turley as their President.

Parliament was to be summoned for the end of June, and the intervening ten weeks were devoted to elaborating the policy to be submitted to it, and to festivals of congratulation in various electorates.

CHAPTER XV

THE THIRD LABOR MINISTRY

FROM the inception of the Federal Parliament, the Labor Party had steadily pressed forward its own special social reforms, and from session to session had won increasing success. In the early days, the Caucus laid down no law about Protection, and a substantial number was to be found who were averse to shackling commerce for the benefit of a few manufacturers, who were held to display more grumbling than gratitude for the favor extended to them. When Mr. Deakin set forth his alluring memorandum in December, 1907, proposing that the man so handsomely benefited by Protection should pass on some share of that benefit, in the form of distinctly enhanced wages, then Labor began to look into the matter, and saw that it was good. To a man they were believers in the "New Protection," and because, as presented, it seemed to be dependent on the old Protection, they were willing to accept the latter as a means to an end. But Mr. Deakin's attractive proposals had failed, and the Labor Congresses began to demand the "New Protection" as a separate entity, a fixed and improved rate of wages on all industries, whether protected or not, or even whether they were profitable or not. This could only be accomplished by taking over from the States the entire control of industrial legislation. As that had been left to the States by the scheme of Federation, a radical alteration of the Constitution was necessary, and lavish promises were made that it would be effected. Therefore, it was decided by the new Cabinet not to reopen the Tariff question, but to seek for some means of bringing about the desired end by a direct legislative challenge of the States powers, and indirectly by the nationalisation of monopolies, with a view to making the Federal Government the chief employer of labor.

In the heyday of their success, and backed by much journalistic support, many of the newly-elected Members indulged in foolish predictions of improved social conditions as the result of their advent to power. Some even inveighed in most reprehensible terms against the Courts which had dared to decide adversely to former claims of their party. With a lamentable ignorance of the question which the High Court had to decide, a Mr. Beard, newly-elected for a suburban constituency in Victoria, was reported in the daily papers to have said at a public meeting that "the Federal Government intended to bring forward industrial measures, and, if the High Court refused to pass them, the Government would apply to the people to give it power over the Court. Mr. Justice Higgins and Mr. Justice Isaacs were with the workers, and should the other Judges refuse to pass the measures, others would be elected to carry out the mandate of the people." It is almost incredible that a man aspiring to political life could be so ignorant of the very basis of judicial functions; and yet to show that his was not an exceptional expression of hostility to the independence of the Bench, it is to be noted that on the same day, 21st May, at a congress of the Labor Convention in Queensland, resolutions were passed condemning the "inhuman and barbarous" Coercion Act of New South Wales, and demanding "an amendment of the Constitution to deprive the High Court of power to declare unconstitutional Bills passed by both Houses of the Federal Parliament." It was politically wise for the more moderate Labor men to repudiate these silly vaporings, and even to attribute them to the Socialists, towards whom many of them maintained a respectful aloofness. While unwilling to be identified with them, they discreetly wished to avoid their hostility.

In the latter half of June, Caucus meetings of the Labor Party were held almost daily to arrange their policy for the session. Prompt decision was come to as to repealing the Naval Loan Act, and providing for the cost of Defence by the imposition of a Land Tax. An issue of Government Notes was agreed to as a means of raising an estimated £7,000,000 of

non-interest-bearing debt. The payment of 25s. per head of population to the States for ten years was approved. The South Australian Government was again to be approached with a view to a decisive agreement about the Northern Territory. The Old-Age Pensions were reviewed on a proposal to reduce the age of male recipients to 60, and females to 55. But the amount involved in this concession was so staggering, that a few days later it was withdrawn, and only the age for women was proposed to be reduced from 65 to 60. The invalid pensions under the Act were to be proclaimed to come into operation in 1911. These alterations combined would bring the current estimate of the cost, £1,500,000, up to about £2,200,000. The establishment of a Commonwealth Bank of issue, deposit, and exchange was declared desirable, but postponed until next year. No decision that should be binding on the Caucus was come to regarding the Federal Capital; and, on the question of Immigration, where the bulk of the opinion was so adverse to the popular sentiment, it was not considered judicious to dogmatise. Yet, in view of the openly-declared "bursting-up" policy of the land taxation, it was necessary to introduce at least an appearance of a desire for settlers into the Governor's Speech. Some of the changes proposed were of so drastic a character that it was difficult to predict the result of their operation, particularly those relating to finance. The product of the Land Tax was simply guessed at—about a million sterling—though when the Bill came to be examined by practical men its possibilities ranged between double and treble that amount. This, with a contemplated saving of three millions in the payments to the States, and the control of some millions of paper money, for no specifically-defined purpose, would establish a dangerous plethora in the Federal Treasury, and promote reckless expenditure.

Having agreed upon these bases, it was necessary to call the fourth Federal Parliament to business. This was done on the 1st July, and the interest in the preliminaries was centred in the election of the President and Speaker of the respective Chambers. Although the attempt was hopeless from the first,

an effort was made to conform to the English practice of re-electing the holders of the offices in the previous Parliament. The decisions had been already arrived at in Caucus, and the pretence of submitting the selection to the will of the House resulted in Mr. Turley receiving 22 votes for President, against 9 cast for Sir Albert Gould. The Speaker's office was allotted to Mr. M'Donald by 35 votes to 25 for Dr. Carty Salmon. The new President was by calling a sailor, and afterwards a wharf laborer up to 1893, when he was elected to the Queensland Parliament in the interests of Labor. He acquired a seat in the Federal Senate at the head of the poll in the election of 1903. Mr. Charles M'Donald, who was a watchmaker by trade, had also been in the Queensland State Parliament, and had entered the House of Representatives at the first election in 1901. Both these dignitaries had expressed their contempt for the trappings of office as at variance with the teachings of democracy. They declined to simulate the wisdom of grey hairs by wearing a wig, or the semi-judicial garments of their predecessors, and presided over the deliberations in conventional morning costume.

The speech of the Governor-General covered so large an area of work, and was so indicative of radical changes looming in the future, that for purposes of further reference it is reproduced in full. He said:—

GENTLEMEN—I have called you together for the purpose of enabling my advisers to submit for your consideration important and urgent measures.

The melancholy intelligence of the death of our great peace-loving sovereign, King Edward VII., evoked a widespread expression of national grief throughout Australia and the Empire, while the entire civilised world felt the poorer for his death, and sincerely mourned his loss.

The accession of His Majesty King George V. was proclaimed on the 9th May, and the earnest prayer of the people of the Commonwealth is that His Majesty's reign may be memorable in human progress, and marked by peace among the nations of the world.

You will be asked to consider matters of first importance in connection with finance. My advisers view with satisfaction the result of the referenda on the Financial Agreement and State Debts.

The revenue from Customs and Excise and Posts and Telegraphs has exceeded the Budget estimates.

In view of the expiration, on the 31st December next, of the period during which the financial relations of the Commonwealth and the States were governed by the provisional financial clauses of the Constitution, a measure will be submitted providing for payments by the Commonwealth to the several States, during a term of ten years, commencing on the 1st July, 1910, on the basis of 25s. per head of their respective populations, special arrangements being made for the State of Western Australia.

The question of consolidating the debts of the States becoming more urgent as time passes, it is hoped an early opportunity will present itself to enable all necessary steps being taken to deal with this question.

In order to more effectively exercise the powers of the Commonwealth in relation to currency, a measure will be introduced providing for the issue of Commonwealth notes of various denominations which shall be legal tender, and convertible into gold at the Treasury.

Steps will be taken to reduce the age at which women are eligible for old-age pensions, and to provide for payment of pensions to invalids, early in the financial year.

A measure will be submitted to you to provide for a progressive tax upon the unimproved value of land, with an exemption of £5000.

In view of the urgent necessity for encouraging an influx of suitable immigrants to the Commonwealth, in order to more effectively develop its great resources and defend it against possible invasion, my advisers intend to adopt a policy which it is confidently believed will, by making fertile land available, speedily induce very large numbers of people of the right kind to settle on the lands of the Commonwealth.

A Bill to repeal the "Naval Loan Act 1909" will be introduced.

Legislation in reference to banking is receiving the attention of my advisers.

You will be invited to consider proposals for the amendment of the Constitution, for the purpose of enabling the Federal Parliament to legislate effectively with regard to corporations, commercial trusts, combinations, and monopolies in relation to trade manufactures, or production, industrial matters, and navigation. It is the intention of my advisers to ask Parliament to pass these measures this session, and to provide for their submission to the electors at a referendum early next year.

A Bill to authorise the Commonwealth to accept the Northern Territory from the State of South Australia, which was before the last Parliament, will be resubmitted for your consideration.

My advisers have given serious consideration to the question of the effective naval and military defence of Australia. Bills will be introduced providing for this at an early date. Two of the three destroyers ordered by the Government in 1908 have been launched,

and will soon be ready for sea. The construction of the third destroyer and of other vessels will, so far as our capabilities permit, be completed in Australia.

The mail service between Australia and Canada has been renewed for one year on the existing terms and conditions, and my advisers hope, before the expiration of that period, to make arrangements for a considerably improved service.

A bill will be submitted providing for uniform postage rates throughout the Commonwealth, and it is proposed shortly to make arrangements for the issue of a uniform Commonwealth stamp.

Arrangements have been made by the Pacific Cable Board for the lease of a telegraph line across Canada for a period of five years. The question of obtaining the permanent use of a line, as well as of a cable across the Atlantic, thus securing a State-owned service between the United Kingdom and Australia, is under consideration.

A Bill will be introduced at an early date providing for the more effective regulation of matters connected with navigation and shipping.

It is proposed to take over lighthouses, beacons, and buoys; and to introduce Bills to amend the Quarantine Act, and to deal with the Excise and Sugar Bounty Acts.

Bills to provide for the rectification of Tariff anomalies, to amend the Immigration Restriction Act, the Customs Act of 1901, and the Electoral Act, will be introduced.

All arrangements necessary for the laying-out and construction of the Federal capital are being expeditiously proceeded with.

My advisers are taking all necessary preliminary steps towards the construction of a railway from Kalgoorlie to Port Augusta.

Proposals for subsidising an independent news service over the Pacific cable will be laid before you.

Communications have been addressed to the British and New Zealand Governments, with a view to the establishment of a system of wireless telegraphy connecting the Pacific Islands under British protection with Australia, New Zealand, and Fiji.

The High Commissioner appointed under the measure passed last Parliament has taken up his duties in London.

The improvement of our trade relations with Great Britain and other self-governing parts of the Empire is receiving consideration.

The report of the Royal Commission of Inquiry into the postal service is expected at an early date.

I leave you now to your important duties, and earnestly hope that, under Divine guidance, your deliberations may promote the welfare of the people of the Commonwealth.

The first business in both Houses, after hearing the Governor-General, was the adoption of an appropriate Address to the King, expressing the sympathy of the Australian people

with him in the death of his illustrious father, and offering renewed assurances of their loyalty and attachment to the Throne. This was carried unanimously, after sympathetic endorsement by the leaders in each Chamber.

The debate on the "Address in Reply" was not quite so protracted as usual, being carried on the voices within a fortnight. Regarded as a declaration of the Government policy, and the attitude of Members towards it, the occasion was gladly seized on by the newcomers for telling their constituents what they were going to do. Some of them made very trite and tiresome speeches, repeating the same smug platitudes over and over again, as they rose to apologise for their unpreparedness, or asserted their determination to do their duty. It is surprising what a lot of irrelevant matter they managed to introduce, from boasting of the majorities they had individually secured, down to denouncing the "hypocrisy" and "waste of money" incurred by the ceremony at Parliament House on the day of the late King's funeral. Mr. Beard, who had expressed such a poor opinion of the honesty of the High Court, took this opportunity to say that he was personally responsible for his remarks. They were in no way binding on his party—a statement which was rather inconsistent with what the Labor papers had said. After full consideration, he recognised that parts of his statement were "injudicious"! In the midst of much dreary prolixity, there were half-a-dozen speeches by the more responsible members of the House that dealt in a comprehensive manner with the Government's proposals. Mr. Deakin, who followed the mover and seconder, dwelt on the fact that to commence the payment of the 25s. per head to the States from the 1st July was a violation of the Constitution, and could not be done without an alteration. Mr. Fisher interjected warmly—"I am prepared to tell the State Treasurers that is all they are going to get." Mr. Deakin wisely refrained from offering criticism on proposals until the Bills to give effect to them were submitted; but he entered a strong protest against the paragraph which promised an amendment of the Constitution to enable Parliament to legislate on a number of things so vaguely

indicated. Referring to the recent elections, he illustrated by telling figures the necessity for amending the electoral law, which had enabled every seat in the Senate to be secured by Labor candidates with less than one-half of the votes recorded. Mr. Fisher, in reply, devoted most of his speech to explanations in vindication of the proposed Note Issue. In response to Mr. Deakin's protest about the payment to the States, he said they would receive their full three-fourths of the Customs duties up to the 31st December, but in the following six months he would deduct from the payment to be made, such an amount as would represent the difference between what they had received and the equivalent of 25s. per head for the whole financial year ending on 30th June, 1911. He contended that in this course he was doing all that could be legally demanded of him, and the financial future did not admit of anything else. Altogether, some thirty Members took part in the debate, and the Address was adopted in both Houses on 13th July.

With this time-honored curtain-raiser out of the way, the work of legislation proceeded in earnest, and generally with such rapidity that soon showed the Opposition how little beyond protest was left for them. It is true that some of the measures submitted were so badly drawn that, but for the generous interposition of the legal fraternity in the Opposition ranks, they would have been unworkable, or fountains of future litigation. Besides the Attorney-General, the Government had only one lawyer amongst its followers; and, as Mr. Bruce Smith had occasion to point out, even these two had expressed conflicting opinions on an important question before the House. On the other side there was about a dozen men "learned in the law," several of them very distinguished in their profession. They were liberal enough to recognise that though they might not approve of measures forced upon them by a dominant majority, they would at least see that their form should be in accordance with the well-grounded principles of law-making.

The legislative work of this session is so important in its bearings on the future of the Commonwealth, so pregnant with experiment in untried fields, and so remarkable for its impatience

of criticism, and resentment of emendation, that instead of merely summarising results as heretofore, it may be well to narrate the passage of each important Act, approximately in the order in which they were dealt with.

The Surplus Revenue Act.

Under this rather vague title, Mr. Fisher, on the 13th July, introduced the measure for adjusting the financial relations of the Commonwealth and the States for the next ten years. It provided for the payment of 25s. per head of the population of the various States annually, for that period, commencing on 1st July, 1910, less a deduction of £450,000, said to represent the deficiency in the Commonwealth revenue for the year just closed. The allowance was also to be charged with one-half of a special payment of £250,000 per annum, agreed to be made to Western Australia, to be gradually extinguished by annual reductions. When assured by the constitutional lawyers in the Opposition that he could not legally antedate the cancellation of the Braddon provision, which ran to the 31st December, the Prime Minister declared that if the States insisted on their legal rights they should have them. But he thought it would not be an exceptionally generous act if they said—"The Commonwealth has taken over large obligations, including Old-Age Pensions and Defence, which are absolutely necessary, and has relieved us of a great load; we are, therefore, prepared to allow the Federal Parliament to take all the amount above 25s. *per capita* during the whole of the financial year, beginning on 1st July, 1910." He declared that in this they would only be doing what they had pledged themselves to do with the late Government; but he calmly ignored the condition of perpetuity which influenced their acceptance of the agreement of 20th August, 1909. Mr. W. H. Irvine pointed out that the means proposed for recovering from the States in the first six months of 1911, a large proportion of what they were legally entitled to receive up to the 31st December, were unjustifiable and parsimonious in the extreme. So far as the definite payment per head was concerned, the feeling was almost unanimous for

adopting the settlement of this important question. But there was an apparent want of straightforwardness in the juggling with the nominal revenue for the six months of 1910, and the Bill was very badly drawn. So ambiguous was it, that until it got into Committee several of the speakers grievously misinterpreted it. Even Mr. Irvine called it a financial conundrum, and made the admission—"I have read the Bill over and over again; I have had a good deal of experience in reading Acts of Parliament, but I must confess that the position has already presented itself to me in at least two or three different lights, and I do not yet know which is the correct one." In Committee, Sir John Forrest moved an amendment, with a view to alter the date of commencement from 1st July, 1910, to 1st January, 1911. This was ruled out of order, as affecting the incidence of taxation, not permissible to a private Member. Mr. Bruce Smith summarised the Bill tersely, showing that as drafted it would compel the payment of 25s. *per capita* for the period from July to December, *in addition* to the three-fourths of the Customs revenue secured by the Constitution. After much discussion, the Government capitulated to these representations, and brought down a resolution providing that if the payments to the States under the Constitution during the said six months amounted to more than 12s. 6d. per head, the amounts to be paid during the next six months should be correspondingly reduced, so that the total payment for the whole year should not exceed the stipulated 25s. The debate, full of intricate subtleties, was largely guided by the legal Members, and the Bill was reported on the 20th July. In the Senate it evoked a longer discussion than in the Representatives; but no new ground was broken except a proposal to extend the term to fifteen years, which was negatived, and the Bill was reported on 25th August. It was a serious piece of legislation for the States, leaving them to receive a very grievously diminished revenue in the first six months of 1911. There was grave apprehension of financial embarrassment in some quarters, and it cannot be said that the exigencies of Federal finance necessitated the appropriation of the legitimate share of the States in the Customs revenue by this rather high-handed "taking back."

Trust Fund Advances Act.

This was an authority to the Treasurer to use £500,000 of trust monies for the extinction of the deficit, which had accrued at the end of the financial year, June, 1910, such advance to be refunded to the Trust Account out of general revenue before the 30th June, 1911. As £34,000 of the amount had already been taken from the fund without authority—indeed, in defiance of the Audit Act—to meet pressing demands, the Treasurer was severely taken to task by the Opposition for so grave an irregularity. Mr. Fisher defended his action on the plea of emergency, but, being overborne by the unanswerable charges of Mr. Deakin and Sir John Forrest, said he did not attempt to justify what he had done. As Treasurer, he was “confronted with a difficulty, and took the best course open to him. I merely say that I made the best of a very bad job that unfortunately arose.” He repudiated the statement that the Bill was really an Act of indemnity for him; but it was so regarded by many of the speakers, and its passage was accompanied by much good advice and cautions not to do it again.

Having once found the convenience of such a form of borrowing, without resort to a public loan—which his party prohibited—Mr. Fisher found it necessary to introduce in September a second Act, under the same title, to enable him to pay the States their three-fourths share of the Customs revenue up to 31st December, 1910, alleging that he could easily repay it within six months. He proposed on this occasion to borrow £1,500,000 from the Australian Notes Trust Fund. The principle of trenching on the reserves, yet to be created, for ensuring public confidence in the Commonwealth Note Issue, even for a few months, was deprecated by all who had any knowledge of finance. The very existence of such a reserve was based upon the anticipation that some millions of pounds’ worth of notes would be got into circulation during the month of December, and already it was being allotted for temporarily squaring the revenue. “Lax, loose, and dissolute borrowing” was the description applied to it by one prominent Member. Even a strong Labor supporter urged that it would be more

straightforward to issue Exchequer Bills for the short period. But these would represent a distinct loan, and were not allowable; besides, such Bills would have to bear interest. The Opposition could do nothing but protest, and point out the grave danger of facilitating such proceedings. The Senate, however, amended the Bill, and insisted on recognising the advance as a loan, by requiring it to bear interest at 3 per cent. per annum, such interest to be credited to and form part of the Australian Notes Trust Account.

Naval Loan Repeal Act.

Introduced by Mr. Fisher on 22nd July, the discussion on this measure lasted until the 28th, when it was reported without amendment. The debate, which, of course, was a forlorn hope, was deprived of any value by the insistence of the Speaker that no discussion on the general policy of borrowing would be permitted. As any reasoned argument was impossible without it, the week's talk, in which the Speaker figured so largely, was really wasted time. It would have been more dignified for the Opposition to have refrained even from protest, than to have submitted to be hectorred as they were by a majority reliant on its strength. Repeated appeals were made to Mr. Fisher for some indication of what he proposed to do in respect of liabilities now maturing for warships under construction, and other vital points. One answer may be given as a type of all: "The Government, of which I have the honor to be the head, will carry out the naval policy of the party, and the manner in which the funds will be provided will be made known to Parliament at the proper time." Mr. Deakin offered a mild remonstrance against Parliament being compelled to vote on such a measure without knowing what the alternative proposals were. He said:—"The Government have brought down a series of financial measures, constituting vital portions of their financial policy, which can only be properly understood when the whole of them are disclosed in the Budget. By bringing them down before the Budget has been laid before honorable Members, they are taking a course without precedent in this country, and without

any justification. . . . We were obliged either to refuse to consider these questions at all until the Budget was delivered, although that might mean a serious loss to the Treasury—," when Mr. Fisher interrupted him with the threatening interjection: "We should have had to take steps to give effect to the will of the people if that course had been adopted." It was easy to see from this typical illustration that Parliament was ceasing to be a deliberative assembly. The decision had already been arrived at; it was only formal ratification that was demanded.

It was imperative that the Labor Party should repeal this Act, in compliance with their hustings pledges; but as it was absolutely inoperative, except upon their own initiative, there could have been no objection to leaving its repeal until the alternative policy had been submitted. To force it through without any hint of what was to be given instead was not only a high-handed proceeding, but was declared by Mr. Deakin to be a violation of constitutional right and practice.

Australian Notes Act.

There were measures that occupied more space in the Parliamentary debates of the session; but there certainly was not one that excited so much controversy outside as the Act providing for an issue of paper money by the Commonwealth, long claimed by Labor papers as the first step towards the inauguration of a Government Bank. Mr. Fisher had promised such an issue in his Gympie speech in March, 1909, and had told his hearers that it would add £100,000 to the revenue at the expense of the banks. Those institutions, in the opinion of the masses, were identified with the most reprehensible form of capitalism. In the elegant language of some of the Labor journals, it was desired to "make them squeal." But, as a matter of fact, the blow was aimed in the wrong direction. In the early gold-field days, when banks had not flooded the country with branches and agencies, the note circulation was relatively much larger, and was undoubtedly a source of considerable profit. In later years, with facility of conversion at so many branch offices,

the circulation declined, and when the States Governments imposed a tax of 2 per cent. per annum on it, the business ceased to produce any appreciable profit. The expense of issue, control, carriage to different centres, and cancellation cost fully 1 per cent., and for 3 per cent. the banks could obtain abundant supply of money on fixed deposit, which was a more stable form of resource than was derivable from a fluctuating amount of notes payable on demand. Nevertheless, for public convenience the issue was continued in all the Colonies, except Queensland, where, in 1893, the State Government issued legal-tender notes of their own as the sole paper currency of the Colony. It is unnecessary to enter into the details of this special issue, which was not prompted by any idea of making a profit. It was an outcome of panic, and when the Treasurer was charged in the State Parliament with making a costly blunder, he replied that with the Government "it was not a question of making a profit, or saving money, but a desire to have an unimpeachable currency, with which the people would be satisfied." The underlying fact was that in Queensland, unlike the other Colonies, bank notes were not a first charge on the assets of a suspended institution.

Apart from the fact that the Labor Party had been committed by repeated conference resolutions and platform promises to establish a Commonwealth issue of legal-tender notes, there certainly was no public demand for such a step, and no apparent justification for superseding a system that had worked satisfactorily for three-quarters of a century. There had never been a single instance where genuine bank notes had not been retired by their issuers at full face value. Granted its safety, the substitution of a public for a private liability could not possibly add to the resources of the country, though the champions of the Government issue invariably spoke of it as a national asset, instead of a national liability. It could not be denied that in business hands the circulation was safe, convertible, and sufficiently elastic to comply with the requirements laid down by a great financial authority: "The currency must be founded on the demands of business, not upon the caprice

or ignorance, or the political selfishness, of the party in power.

. . . There never did exist on this earth a body of men wise enough to determine by any arbitrary rule how much currency is needed for the business of a great country." Since it is utterly at variance with the views of all civilised Governments to issue currency for the sole purpose of making a profit, what were the reasons assigned for the change?

Mr. Fisher's half-hearted introduction of the measure did not disclose much beyond the facts that Section 51 of the Constitution gives the Parliament power to make laws with respect to "currency, coinage, and legal tender;" that such power was accorded without dissent in the pre-federal convention; therefore, it ought to be given effect to without delay, and this measure is necessary "to put the currency on a sound basis." There was, of course, no dissent from the right of the Government to take entire control of paper currency, or to make it legal tender. The reasons assigned for doing it appeared inadequate, and it was a direct raid upon the revenues of the States of over £80,000 a year. But, behind the assigned reasons lay the alluring bait of the use of some £5,000,000 of free money to "be expended for any purpose that the Parliament directs," as one clause in the original Bill phrased it. This was the really dangerous element. Many members of the Opposition, including their Leader, expressed approval of the principle of the Bill as a currency measure. Several demurred to its necessity, but recognised that the Labor Party, having so long promised it, were committed to the experiment. As a Government Note Issue pure and simple, it could by stringent conditions be made absolutely safe, and worthy of confidence. But those were not the conditions of the Bill submitted, and, as a disguised loan Bill, it contained the elements of disaster, certain even if remote. The very fact that, before there was a shilling in the till, Mr. Fisher had obtained anticipatory authority to borrow a million and a-half from it, temporarily, was disquieting. How would he be able in the future to resist the temptation to resort to the "temporary" use of trust funds in a season of unexpected pressure? and how easy to satisfy a Parliament, dominated by

his own followers, that the difficulties were really only "temporary"? Then, too, there was an air of looseness in the way the Prime Minister handled the figures. He had started by proposing four millions, then increased it to seven, and later was saying it might be ten. Some of his supporters thought "the more the merrier"; others scoffed at the necessity for any gold reserves, and declared that the credit of the Commonwealth was good enough for them.

The Opposition did good work in Committee. They expunged the objectionable authority for Parliament to do what it liked with the money thus raised. They obtained the withdrawal of the compulsory clause which required bankers to hold certain proportions of the notes. They succeeded in diverting the interest earned by this money from absorption into the general revenue, and required its payment into the Australian Notes Account as a further and cumulative margin of safety. They failed in some other matters for which they strenuously contended, and which, had they been carried, would have rendered the currency unimpeachable. The first was the appointment of one or two non-political men to be associated with the Treasurer as Trustees for the note-holders of all monies to be received under the Act. It was generally felt that no Treasurer ought to be placed in the position of sole Trustee, when he would always be liable to so much political pressure. Regarding this proposal, Mr. Fisher was adamant. Conscious of his own integrity, he could not imagine a Treasurer, even from the Opposition ranks, feeling the want of consultative support. Another point pressed very strongly, and by Mr. Deakin even after the final stage was reached, was to make the coin reserve against the issue one-third instead of one-fourth. Arguments on the question of the margin of safety were not only not answered, but as a rule they were not listened to, for it was difficult to keep a quorum when the subject was on. Lastly, urgent appeals were made to the Government to arrange for payment of the notes, if required, in the capital cities of the six States. This was bluntly refused. At Melbourne only could they be exchanged for gold, and when suitable strong-rooms

were built at Yass-Canberra, there only would they then be convertible. It was evident that the circulation was not to be run on business lines, and the attitude showed a lofty indifference to the convenience of holders, or a blind reliance on the generosity of the banks. It compared very unfavorably with the convenience afforded to the public by private enterprise, and was ominous of the coming days when the State shall be all in all.

Probably by this time Mr. Fisher was beginning to have doubts as to where his "profit" was to come from if he listened to these requests. On that point it would be unwise to prophesy. Having annexed over £80,000 of State revenue, and such gains as were made by the note issue of the Queensland Government, the returns will, no doubt, show some profit. But taking into consideration the idle coin reserves, the special and costly new department, and the recognised methods of Government work, there is little doubt that the only advantage to the Commonwealth over an ordinary $3\frac{1}{2}$ per cent. loan will be represented by the amount which the States lose. There is a provision in the Act for making a monthly return of the value of notes in circulation and the amount of gold coin held against them in the Treasury safes, but the cost of the operations will not be unnecessarily vaunted. Beyond the subsidiary question of profit, however, there looms the effect of the change on commerce and industry. No such change will affect the operations of this decade. It will probably take two years to get the notes out to the point of saturation. The banks will voluntarily hold some as till money for the convenience of their customers; but, however undoubted they may regard them as a security, they cannot allow their normal coin reserves—fixed by economic laws and their own experience—to be reduced by any investment in even the best of paper. In plain words, if the banks took into their tills notes to the value of £3,000,000 amongst them, for which they paid out sovereigns, they must advance £3,000,000 less to their customers, or reduce their normal coin holding to that extent. The first process is disturbing and unprofitable, the second is dangerous. Bankers, being as a

rule conservative, the result will probably be a relative contraction of advances, and the future should be carefully watched.

Considering the importance of the conditions to be prescribed, and the absence of precedent, the debate was not unduly prolonged. Most of the leading speakers treated the subject thoughtfully, and wisely lifted it above party politics. A few of the rank and file, whose support Mr. Fisher would have preferred in the form of a silent vote, made themselves ridiculous by expounding their ideas of credit and currency. Unable to offer any arguments based on a reasoned process, they thought to help the cause by all-round abuse of the banks and their proceedings. A charge of sixpence in Melbourne for exchanging a Queensland bank note was a sufficient text for a lengthy diatribe on the greed and rapacity of the capitalistic class. The fact that such a charge had been abolished a year ago was accepted as an indication that the banks were being concussed into submission; and many vague threats of their fate, when the promised Banking Bill arrived, were joyfully indulged in. As finally passed, the Act authorised the issue of Australian Notes, in denominations from 10s. upwards, which were to be legal tender throughout Australia, and redeemable in gold coin only at the Treasury of the Commonwealth at the seat of Government. There was no limitation as to the amount which might be issued; but beyond £7,000,000 the Treasurer has to hold pound for pound in gold coin. Up to £7,000,000, he must hold coin to the extent of 25 per cent. of the value of notes outstanding. All monies received for notes must be paid to the credit of a trust account, called Australian Notes Account, and the balance of such account, after providing the gold cover prescribed, may be invested at the discretion of the Treasurer on deposit in any bank or in Government securities, including those of Great Britain. As the Commonwealth Government had no securities current in which such investments might be made, power was taken in the Act for the issue of Treasury Bills for the purpose, in the discretion of the Treasurer as to term, and to bear interest at a rate not exceeding 4 per cent. These Bills might be sold in the Commonwealth, or in

any other country where they were acceptable, and the money raised by such sale must be applied to the redemption of Australian Notes. And yet it was contended that these Treasury Bills were not a loan in the ordinary sense !

The last twelve clauses are devoted to a list of the possible crimes under the Act, and their punishment. The severity of the numerous penalties, ranging from fifteen years' imprisonment, carries one back to the penal code of the Georgian era. In comparison with the current punishment for deeds of violence and brutality, the schedule is a keen satire upon the common Labor charge, that the laws of the conservative classes are framed for the protection of property rather than the welfare of the individual.

The Bank Note Tax Act was simply a corollary of the Australian Notes Act. It levied a tax of 10 per cent. on all bank notes in circulation after a defined time, and thus practically prohibited their issue. No other country in the world had ever adopted such a course. It was manifest that in fair competition the Australian Notes would never get very far beyond the Treasury ; it was impolitic, even if practicable, to legislate for the compulsory closing of any business section of the community ; therefore, the simplest way was to devise a scheme of taxation which would fall so heavily on your rivals' operations as to make them unprofitable. It naturally commended itself to the Protectionist mind.

Commonwealth Conciliation and Arbitration Act.

This important amendment of the Act, passed in 1904—which had already been once amended so recently as December, 1909—was introduced by Mr. Hughes, Attorney-General, on the 27th July, in a speech which implied that it was merely a measure for rectifying mistakes in the original Act, some of which had been revealed by decisions of the High Court. When Members were able to examine the Bill for themselves, they promptly saw that it went much further than mere emendation, and embodied some startling privileges to a favored class. It will be remembered that the prolonged debates on the Act in

1903 and 1904 had led to Cabinet dissensions, and the overthrow of more than one Government. The result of those months of contention had been to free the Act from some obviously one-sided and unfair clauses, proposed with the object of empowering compulsion by Union organisations. It was now desired to sweep away those restrictions, which had been secured with such difficulty in 1904, and to greatly enlarge the powers of the President of the Arbitration Court, especially in those matters where limitation had arisen from decisions of the High Court. Amongst the changes to be wrought by the new Act were the bringing of the wages and labor conditions of organised rural workers and domestic servants under the purview of the Court; also disputes in relation to employment in industries carried on by the Commonwealth or a State, or under their control; and generally, the Court was not to be restricted to the specific relief claimed by parties to any industrial dispute, but should deal with all "questions of what is fair and right in relation to any industrial matter, having regard to the interests of the persons immediately concerned, and of society as a whole."

But a Judge who was allowed such a patriarchal latitude was not to be trusted with securing the greatest happiness for the greatest number; in fact, that antiquated formula had lost all claim to respect. It was proposed to tie his hands down to insisting on preference being given to Unionists when there was competition for a job. And the Unionists, on the most generous computation, represented about 200,000 out of nearly 2,000,000 workers. In the original Act not only had such preference been left to the discretion of the Court, but it had been hedged round with safeguards that exercised a restraining influence on the frequent tyranny of Union control. The amendments proposed, in addition to withdrawing this discretion, also swept away the conditions which precluded Unions, whose funds were partly devoted to political propaganda, from enjoying the help of the Court in concussing their recalcitrant members. Looking back upon the struggle of six years before, it seemed like an abject surrender, though Mr. Hughes evidently only regarded

it as a small instalment of what his party wanted, and what they intended to have.

This measure (he said) is not an attempt to set before the House a comprehensive scheme of the final opinions or views of the Government as to what industrial legislation should be, but merely an attempt to amend the present Act where it has proved notoriously defective, and to take advantage in the fullest possible way of the powers given to us by the Constitution. . . . It is intended to take an early opportunity to ask the people to so amend the Constitution as to enable this Legislature to make laws of a comprehensive and satisfactory character, covering the whole field of industrial conditions, and pending that amendment this measure is put forward. . . . I make no apology on behalf of the Government for introducing the amendment in regard to preference to Unionists. The party to which we belong advocated that preference before the inception of the Commonwealth, and we believe in it thoroughly. Now that we have an opportunity, at this early stage of the session, we introduce the measure, and I hope that it will speedily receive the approval of the House.

What was left for the Opposition in face of such a declaration, backed by the obedient majority it commanded, but to realise the hopelessness of a contest. They did not, however, shrink from their duty of expostulation and warning. They faced the odds with an ardor and a wealth of argument that stamped their sincerity. Mr. Deakin, indeed, was trammelled by the fact that, as sponsor of the original Act, he had said many things when fighting for it in 1903 that were a little at variance with his attitude to-day, and his temperamental desire to put things mildly prevented him being as effective as usual. After a stormy all-night sitting, the second reading was carried at 4 a.m. But when it got into Committee, there were no restraining memories to qualify the vigorous attacks of Mr. Glynn, Mr. W. H. Irvine, and one or two others. The first-named gentleman stirred Mr. Hughes into a fiery declaration, wherein he committed his Government to much more drastic intentions than his second reading speech had disclosed. Mr. Irvine, who followed him, submitted in his unemotional, but incisive manner, such an array of objections, constitutional, legal, and social, that it was impossible to ignore them. The Attorney-General made no sign, but he came to the House next

morning with a new clause, restoring to the Arbitration Court its discretionary power, to be exercised "whenever in the opinion of the Court it is necessary for the prevention or settlement of the industrial dispute, or for the maintenance of industrial peace, or for the welfare of society."

For the rest, it was hopeless to pursue the struggle. There were mutterings of discontent amongst the Government's followers even at this concession. While appearances were kept up in the House, Mr. Hughes had doubtless a difficult task in Caucus; but he was eminently capable of justifying any of his actions. There was no prospect of doing anything with it in the Senate, where an amendment, moved by a Minister, and referred back to the House of Representatives, was promptly rejected by his colleagues. The Act received the Royal assent on the 31st August.

Northern Territory Acceptance Acts.

It will be remembered that the Fusion Government succeeded in getting a Bill through the House of Representatives for the transfer of the Northern Territory to the Commonwealth, but, in consequence of the Senate rejecting certain clauses, it had to be abandoned at the close of the session. The Senate, having no work before it early in August, was given the privilege of reintroducing the question on the same basis of agreement with South Australia as had been dealt with in the previous year. They discussed the second reading up to the end of the month, and then learned that the Bill had to be withdrawn, as inconsistent with the provision of the Constitution that no Bill appropriating revenue, or imposing taxation, could originate in the Senate. The law advisers of the Government, presumably the Attorney-General, had seen no objection to the initiation in the Senate, if the clauses appropriating revenue were struck out, leaving them to be added when it reached another place. But this advice was manifestly a quibble for evading the law, and the Bill was very properly withdrawn. A fresh Bill (No. 2) was brought in on the 6th of September, containing a clause, "that nothing in this Act shall be taken as an appro-

priation of any revenues or monies," and Senators made a fresh start. The Minister in charge of the Bill begged that the many second-reading speeches already delivered might be taken as doing duty for the new measure, and not be repeated. But there was a strong body of opponents to the condition which stipulated that the railway to connect Port Darwin with a point in the northern boundary of South Australia must be approximately straight, and within the limits of the Territory. Mr. Hughes, as Attorney-General, had given an opinion that the route need not necessarily be so confined, and the Crown Solicitor of South Australia had voiced the opposite view. A strong effort was made to ensure the diversion of the line into Western Queensland, as helping to develop a region of great resources and some population, while it was alleged that the proposed direct route traversed hundreds of miles of desert and useless country. The most conflicting statements were made as to the character of the country to be passed through, and, in the absence of personal knowledge, it became a question of the credibility of the rival claimants.

There were a few dissentients, who, alarmed at the prospect of an expenditure of at least £10,000,000, desired to postpone a decision; but the main field of contention was the route of the railway. Nearly all desired to possess the Northern Territory, partly for defence purposes, and partly to have under Federal control a State which, by direct Federal administration, could be created a model of the most recent and most enlightened forms of legislation. But they wanted to get it for the smallest outlay. Owing to the warmth of some of the South Australian Members, the discussion was protracted over two months; but early in November the Bill had passed all stages without material amendment. The necessity for a strategic railway in connection with the defence of the northern seaboard was often dwelt upon; but several speakers declared that, for the purpose of rapid transport of troops and munitions, the existing portions of the line were practically useless, and the whole would have to be rebuilt on a more enduring basis. In any case, it was concluded that the Territory must be acquired, and, despite any

agreement, the best route for the railway would eventually have to be decided on its merits.

In the last weeks of the session, a supplementary Act was passed, called the "Northern Territory Administration Act." It was hurried through as only an interim measure, providing for the appointment of an Administrator for a term of five years, subject to good behaviour, and such other officers as may be necessary to carry out the terms of the Acceptance Act. The only clause of any moment, indicative of the scope of the future control, was one providing that "No Crown lands in the Territory shall be sold or disposed of for any estate of freehold, except in pursuance of some contract entered into before the commencement of this Act." A carefully-prepared Constitution for the new Territory was promised for the consideration of Parliament in the next session.

Land Tax Assessment Act.

At an election meeting in Sydney on the 15th of February, Mr. Hughes—not then being weighted with the responsibilities of office—is reported to have said: "The Labor Party's chief plank at this election is to penalise the owners of the big estates, so that it will be unprofitable to hold them." In introducing the measure to give effect to this amiable intention, on the 16th August, the Prime Minister, apparently without consulting his Attorney-General, said: "This Bill, if passed, will lay down a foundation upon which we shall build legislation that will not victimise, or even seriously embarrass, large holders of land, because they are large holders." This wide variance between the statements of the head of the Government and his chief officer was fairly characteristic of the divergencies which marked the three months' discussion over the Land Tax Assessment Act. Despite the frequent shifting of the Government base, which vacillated, as occasion required, between the necessity for revenue and the desirability of "bursting-up" the large estates, the debate was probably the most able and vigorous, as it undoubtedly was the most important, of the session. In consequence of the great constitutional issues involved, and the many

legal technicalities of the incidental machinery, the strength of the debating power was mainly on the side of the Opposition, containing as it did all the forensic skill in the House. Mr. Deakin, Mr. Glynn, Mr. W. H. Irvine, Mr. Bruce Smith, and Sir John Quick focussed a hail of destructive criticism on the injustice, inconsistency, and vagueness of the Bill as originally submitted.

Mr. Fisher's speech on moving the second reading was not one of his happiest efforts. He was oppressed by a ponderous mass of notes which he had only partly mastered, and by a keen sense of the many pitfalls which lurked in the 70 clauses of an unprecedented measure. He maintained that the effect of "unimproved land value taxation," in every country where it had been applied, had been to make lands available on more reasonable terms for the people who desired to use them. He mentioned with pride how in the past he had assisted to break up some large estates in Queensland, and he hoped that Parliament would face the question, and do something to prevent future generations being "deprived of their natural heritage." Obsessed as he was by the real object of the Bill, as laid down for him at the Brisbane Conference in 1908, and adopted in his Gympie programme, he could not avoid the temptation to recur to that point of view. But all the time he was conscious that legislation directed solely to depriving the States of control over their lands would be found to be unconstitutional. Therefore, this was a Revenue Tax Bill, and the fact that it was levied even upon city allotments, which could not be further subdivided, was cited as evidence that it was not primarily aimed at breaking up large estates. Having thus travelled round the circle, he came to the proposed conditions of the tax. With an exemption of estates below £5000 in value, it imposed an annual rate of one penny in the £ on estates between £5000 and £10,000, rising by one halfpenny up to sixpence on estates of £80,000 and over, with one penny extra in all cases, without exemption, for absentees.

He proceeded to indicate the exemptions, and to sketch in outline the various conditions of the Bill; but in reply to some

questions, he intimated that the Attorney-General could more properly deal with these in Committee. Surprise was expressed by Members at the increase of the maximum rate from fourpence to sixpence in the £, and more especially at the proposal to make the Act retrospective by levying the tax as from the 1st July, 1910. A measure so far-reaching in its effects, and one that certainly created something like consternation throughout Australia, that elicited alarmed enquiries from the financial centres of the old world, and that, undoubtedly, threatened loss to many institutions, and possible ruin to individuals, deserved something in the shape of a comprehensive and convincing proof of its necessity. What it got was an intimation by Mr. Fisher that it was the mandate of the people. "One of our great hopes," he said, "is that it will convert the larger into smaller areas, and bring about closer settlement. The principle of the Bill, however, has been settled, not only by a party, but by the country. That being so, the principle is beyond all serious controversy in this House. The only question relates to what is the best way to apply the policy that has been endorsed by the country." But the Opposition was of sterner stuff than to be cowed into silence.

Mr. Deakin opened the campaign with a trenchant exposure of the duplicity which had marked so many of the previous Bills of the Government, and which was now being deliberately continued in a measure professing to have for its object the authorisation of a tax, but in reality enunciating a Federal land policy. It was pointed out that three-fourths of the Prime Minister's speech was devoted to arguing the necessity for a land-settlement policy. From the outset, his text was that the Bill was intended "to promote industrial prosperity and the social welfare of the people." There was but the barest emphasis on its effect as a taxing measure. Mr. Deakin, while freely admitting the absolute power of Parliament to levy any form of taxation for revenue, showed that the attempt to make it an indirect means of inflicting hardship upon a section of the community, for the ultimate result of increasing land settlement, was utterly unjustifiable. Apart from the question of individual

hardship, which all taxation more or less involved, Mr. Deakin was emphatic in declaring that in this form it was utterly at variance with the agreement between the Commonwealth and the States, as embodied in the Constitution. "My own opinion," he said, "and I express it without an instant's hesitation, is that this proposal is unconstitutional." He concluded a powerful and telling address by declaring that a wise Land Tax would be supported by his side of the House whenever federally necessary, but, meanwhile, he moved: "That the form of Land Tax outlined by the Prime Minister, and provided in this Bill, is unjust in its incidence, and an abuse of Federal powers."

Practically this was a vote of want of confidence, but to avoid a double discussion it was agreed to take it as an amendment on the motion for the second reading. Mr. Deakin declared that Members on his side refused to occupy any longer time than was necessary to state their views and to make their protests. To do so would, in the conditions of the House, be only wasting public time. But the other side were not desirous of listening to either arguments or protests. Mr. Bruce Smith voiced the general complaint when he said that when some of the most important proposals were submitted for consideration, of the 43 supporters of the Bill, there was rarely more than half-a-dozen present on the Ministerial benches. It was notorious that when the division bells rang, they trooped in and voted, and then promptly returned to more congenial quarters within the building.

Mr. Deakin's amendment was moved on the 30th of August. It was not until the 20th September that the debate came to an end. The amendment was rejected by a majority of twelve, and the second reading was carried. The Committee stage covered another three weeks, and resulted in many substantial amendments being secured. The third reading was passed on the 12th October; but the incisive criticism in Committee had by that time brought the Government majority down to five.

There was not much hope of doing anything to mitigate its severity in the Senate. The second reading was carried in a thin House by a majority of ten. In Committee there were

many divisions, but the majority remained a constant quantity. There were some references back to the Representatives; but all differences were adjusted, and the Bill finally passed on the 9th of November.

The official reports of the discussions on this Act in both Houses would fill a volume considerably larger than that now in the reader's hands. Even a summary of each speaker's views would involve tedious repetition, since the same arguments were continually presented in slightly varying form. It would be invidious to select only from the speeches of the acknowledged leaders, some of which are worthy of more enduring record. An attempt may be made to indicate summarily the main lines of objection taken by the opponents of the Act, and, as far as possible, the reasons advanced for its support. Nor is it necessary here to devote much space to this analysis, since not only will the operations of the tax commence at a period outside the first decade of the Commonwealth, but, from the fact that proceedings have already been initiated to test its constitutionality, it may possibly prove to be inoperative. Hence, these views are stated in the most summary form, without any attempt to reproduce the contentions by which they were supported.

The opponents of the measure, amongst whom were many quite ready to support an equitable Federal Land Tax, if shown to be necessary, based their objections upon some or all of the following grounds:—

In view of the rapid growth of revenue from Customs and Excise, and the greatly-reduced payments to the States, the public finances do not show any necessity for this early resort to direct taxation by the Commonwealth.

In the pre-federal conventions, and in the agreement between the Commonwealth and the States, it was always assumed that only in some great national urgency—as war, for example—would the imposition of such a form of taxation be contemplated.

Imposing it for the declared purpose of controlling the tenure of land within the several States, was a distinct breach of the spirit of the Federal Agreement. And when such control could only be secured by imposing rates that were oppressive, and were declared by their supporters to be “frankly penal,” the Bill became, in the words of Mr. Deakin, “an abuse of Federal power.”

Such penal rates were a breach of public faith, and practically a fine for lawfully acquiring properties, for which the Crown had received the full market value, and had, moreover, eagerly encouraged the alienation. Now, a seventh representative of the Crown steps in, and announces that it disapproves of the policy of the other six, and, while professing a desire to tax only the unearned increment, rejects a proposed amendment to deduct from the valuation the original amount paid to the Crown.

While the holders of large estates, which from their accessibility or other qualities were profitable, would pay the tax rather than have their properties cut up, hundreds of thousands of acres, on the borderland of a bare subsistence, would have to be surrendered to mortgagees, or abandoned, and there would be no buyers, however small the holdings into which they might be subdivided.

The exemption of properties under £5000 in value was made to catch the votes of the selectors and small farmers, and the tax was a flagrant case of class legislation, aimed at less than one-third of the holders of one kind of property.

The present tendency to extravagance in Federal expenditure points to a reduction of the minimum of £5000 before long, and, in the meantime, the throwing of quantities of unsaleable land on the market will at once lower the value of all holdings, great and small. In the case of the large number whose properties were mortgaged, this would entail fresh valuations, reduced limits, and many foreclosures.

It was unwise to strike a blow at Australia's greatest industry, the production of wool, because some of its followers had prospered and waxed fat. Millions of money had been expended in bringing it to a perfection that was recognised throughout the world. The great bulk of the sheep country was absolutely unfit for cultivation in large or small holdings. If the weaker of the station-holders—and there were few without some burden of debt—were taxed beyond endurance, was there any prospect of smaller men taking their place? So far, all experience was against it.

These excessive rates, unprecedented in Australia and New Zealand, were not based on any reliable calculations as to the amount of their return. When it was pointed out to Ministers that it would possibly be double, or even treble, the sum indicated, the only reply was a flippant intimation that if a million or two more was realised, the Government could find plenty of use for it.

On the other side, with fair unanimity until the closing stages, the Ministry and its supporters contended that :

The Budget statement showed that the estimated £1,000,000

from the Land Tax was required to balance the Public Account finances.

The only alternative was borrowing, which the Government was pledged to oppose.

Such injustice or hardship, as was alleged to be involved, was due to the Constitution forbidding any discrimination between States or parts of States.

A progressive Land Tax had been in the forefront of all Labor commitments for years, and everywhere it was advocated it had met with approval. The Government was but carrying out the mandate of the people. "The 13th of April settled it," said the Attorney-General.

The maximum rate of sixpence in the £ on the largest estates was very moderate in relation to the value of the property taxed. Several Labor Members expressed doubts as to whether the tax was heavy enough to accomplish the real object of the Bill. They regretted that Crown lessees were "allowed to escape."

"Land-owners are getting off so cheaply," said Senator Givens, "that I am afraid the bursting-up effect of the tax will not amount to very much."

Since taxation was necessary for financial reasons, it would be difficult to find any form of levying it that would ensure so much benefit to the community at large, by assisting immigration and promoting closer settlement.

And then, from this last line, flowed three-fourths of all the contentions of the supporters of the Bill. Most of the older Members, who felt some sense of responsibility, restrained the expression of their innate dislike of the large landholders, while freely admitting that it was most desirable to force them out somehow, if by so doing they could get half-a-dozen smaller holders in their place. But many of the newcomers—mostly young and fresh from the debating clubs of their Unions—seized the opportunity of girding at the owners of big properties, as parasites, enemies of the public welfare, and by far more offensive epithets, culled from the papers of their environment. This assumed justification for their votes was, of course, addressed to their constituents. The House had no use for it, for their course had been laid down for them even before they were "sworn in."

The Land Tax Act was a subsidiary measure, defining with fractional accuracy the ascending grade of the Tax on the valuations. It provided ample material for discussion, which was

mainly resultless, except in so far that on the third reading Sir John Forrest submitted a motion for its recommittal to amend a flagrantly unjust clause, and the Government only commanded a majority of three—the smallest they had so far experienced. It was elicited during the debate that there were Members who had been returned pledged to vote for a tax up to 2s. 6d. in the £! In the last stage in the Senate, a motion by Senator Vardon to alter the title to the "Land Confiscation Act" was ruled by the Chairman out of order and "frivolous."

The future of this far-reaching legislation is veiled in much uncertainty. That it will, for a time, prejudice the free investment of British capital in Australia is certain. That in its incidence it will work much injustice, and even involve individual ruin, is probable. That it will prove the Prime Minister's estimate of return to be preposterously understated is the opinion of many most competent to judge. It demands the most serious consideration of the whole community.

Defence Acts.

Under this heading may be grouped the "Defence Act 1910," and the Naval Defence Act—both introduced in the Senate by the Minister of Defence, the first on the 18th August, the second on the 11th October. The military proposals involved several changes in the Defence Act of 1909, substantially increasing the period of compulsory training, dividing the country into numerous areas of administration, and framing a more extensive scheme of control and organisation. Most of the changes involved in the Bill had been made on the advice of Lord Kitchener, who, in his official report, had said that "the present forces are inadequate in numbers, training, organisation, and munitions of war for the defence of Australia." The views of so conspicuous an authority were readily adopted, even though they opened up the prospect of a greatly-increased expenditure. The task of the Ministry was to democratise them as far as possible. Hence, the Military College was to be free to all youths qualified to train there, no payment or fees of any kind to be required. This was deemed essential to

avoid anything in the nature of "caste distinction." All uniforms were to be supplied free, from drummer boy to Commander-in-Chief. All promotions were to be strictly from the ranks, and no man could get a commission who had not passed through the cadets and the College. Such opposition as there was to the Bill, and it was very little, came chiefly from the Socialist members of the Labor Party. It was mainly confined to general disapproval of militarism, and some gloomy predictions that the whole business was so unnecessarily costly, that it would have to be greatly modified in coming years.

The Naval Defence Act was the measure for giving statutory form to the proposed establishment of a Commonwealth Navy, manned and officered by trained Australian seamen. It gave effect to some of the suggestions of the Naval Conference of 1907, the main proposals of the Fusion Ministry, and embodied opinions that had been ventilated in Parliament and on the hustings for several years. The Australian Fleet was to consist of one armored cruiser (to cost about £2,000,000), three unarmored cruisers (estimated at £1,060,000), six destroyers for £480,000, and three submarines for £165,000. These figures, supplied by the British Admiralty, were based on English cost; but some Labor Members were of opinion that the vessels should be built in Australia, even if that course involved an addition of £1,500,000 to the estimate. The upkeep of the fleet on a peace footing was stated to be £500,000 a year, out of the general revenue. The character of the fleet was a decided variant upon Mr. Fisher's proposals at Gympie, which, it will be remembered, embraced a mosquito fleet of over fifty vessels; but the Labor Ministry claimed all the credit of having initiated Naval Defence with Australia's own fleet by reason of Mr. Fisher having ordered the first three destroyers without waiting for Parliamentary sanction. One most gratifying announcement was made by Mr. Hughes, the Acting-Prime Minister, to the effect that the Government did not propose to accept the generous offer of the Admiralty to contribute £250,000 towards the maintenance. "We propose," he said, "to accept nothing from Great Britain, but to pay for the whole

flect ourselves; since we are going to do the work, we might as well do it well." The Defence Act was to come into operation on 1st January, 1911.

Judiciary Act.

This important measure was introduced within three days of the close of the session, and passed through all its stages in both Chambers in a few hours. It proposed to throw upon the Judges of the High Court the duty of determining any question of law as to the validity of any Act of Parliament which might be referred to them by the Commonwealth Government. And to that determination was appended the serious condition, that it should be "final and conclusive, and not subject to any appeal." It was a lamentable instance of the demoralisation which Parliament had developed as a result of the continuous blind majority vote, that the discussion of a Bill of such far-reaching import could only attract listeners, whose number, as Mr. Deakin phrased it, "could be counted on one hand." Even in the Senate, leisurely waiting for something to do, a quorum had to be called for more than once during the two hours which it took that Chamber to dispose of the measure. Mr. Hughes introduced the Bill in a speech which Mr. Deakin declared to be a very good presentation of a bad case. Whatever the meagre attendance of Members might indicate, the Attorney-General had no doubts about the greatness of the occasion. He knew "of no measure which had received the attention of Parliament which was more important than this." He regretted that at this stage of the session it was precluded from receiving "that comprehensive and exhaustive discussion which a Bill of this kind so obviously deserved." He said that during the last four years the Commonwealth had disbursed in law costs, in cases where the validity of Statutes had been in question, some £5000, and there were other cases pending where the costs were not yet fixed. He was very contemptuous of "people who from time to time rise up and declare that such-and-such a Statute is a violation of the Constitution, and they are going to do something." He deplored that "these puny persons"

should put the community to the trouble and expense of defending the Statute ! He proposed to alter all that. As Attorney-General, he would ask the Court, "Is this measure one which it is within the power of the Parliament to pass?" and he would get from the Court a straightforward answer.

Necessarily, the discussion fell into the hands of the legal representatives. The Attorney-General found a qualified support from Mr. Hall, and Messrs. Glynn, Deakin, and Sir John Quick provided the criticism of the Opposition. None of the speakers was directly hostile, and Mr. Deakin expressed a desire that some such method of minimising the risk of expensive litigation to individuals could be devised. He was satisfied, however, that the sort of general reference proposed would be found inefficient. Mr. Glynn pointed out the impossibility of obtaining a definitive ruling on every aspect of the numerous clauses of an Act, and the difficulties which might arise if such a ruling was an absolute bar to further action, such as a later experience might justify. He declared that in referring a Bill to the Court, and asking it to say what portion was valid, and what portion was not valid, "we should be asking it to do something that was absolutely beyond its competence." Sir John Quick had even a more definite objection. He could find no section in the Constitution which would authorise the Federal Parliament to pass such a measure. The very Act by which all doubtful legislation was to be tested would probably be declared *ultra vires*. Sir John was of opinion that the proposed absolute refusal of the right of appeal was at variance with the Constitution, and would be null and void. All these eminent lawyers expressed sympathy with the attempt to expedite and cheapen the method of settling vital constitutional questions ; but they were unanimous in the opinion that it was impossible to legislate properly on such an important issue, in a few hours, and at the fag end of the session, in a listless and unresponsive House. They considered the movement premature, and the proposed Act of doubtful validity. Nevertheless, opposition was idle, for the experiment had been decreed.

Constitution Alteration Bills.

The radical alterations in the Federal compact, proposed by these two short but decisive measures, await the decision of the people in April next, as to whether they will secure a place alongside the 235 Acts which have, so far, been enrolled in the Commonwealth Statute Book. Each of them passed through both Houses of Parliament on the 16th November, when the third reading was carried by the necessary statutory majority. The voting in the Representatives was 41 to 19, in the Senate 24 to 12.

The Bill intended to deal with "Legislative Powers" contains four clauses amending portions of the 51st section of the Constitution, by adding to the powers therein granted to the Federal Parliament. It seeks extended authority over the operations of trade and commerce; the right to make laws for "the creation, dissolution, regulation, and control" of corporations formed under the law of any State, and the control of all foreign corporations; and a general power over all industrial matters. The definition of the latter is clear and comprehensive. The Bill abolishes the limitation of its sphere of action, as defined in the Constitution—namely, the settlement of industrial disputes extending beyond the limits of any one State, and enacts control in all matters relating to—

- (a) The wages and conditions of labor and employment in any trade, industry, or calling; and
- (b) The prevention and settlement of industrial disputes, including disputes in relation to employment on or about railways the property of any State.

A final clause in the Bill gives powers of legislation over "combinations and monopolies in relation to the production, manufacture, or supply of goods or services." This control of trusts and combines could only be fairly exercised in cases where the public interest seemed to be prejudiced by private greed, and so far there were no cases that called for legislation. The Bill covers regulation; it might be held to cover repression. But even if an industry, supposed to be making too much profit out of the people, could be "burst up," Parliament had no power honestly to appropriate the fragments.

The Socialist wing of the Labor Party was getting stronger. They had agreed to the other phases of the Bill for the benefit of trade unions; they wanted something that should more definitely help their objective—the nationalisation of all industries. They could not be denied; therefore, the other Bill, with the sub-heading of “Monopolies,” was no mere amendment. It proposes to add an entirely new section to the Commonwealth Constitution Act, a first step—indeed, it might more properly be called a bold stride—towards the Socialist objective. It runs thus:—

When each House of the Parliament, in the same session, has by resolution declared that the industry or business of producing, manufacturing, or supplying any specified goods, or of supplying any specified services, is the subject of a monopoly, the Parliament shall have power to make laws for carrying on the industry or business by or under the control of the Commonwealth, and acquiring for that purpose, on just terms, any property used in connection with the industry or business.

It cannot be denied that these two Bills are an undisguised declaration of hostility to the legislation of the States, and the debate developed a contemptuous disregard of it. The “Legislative Powers” Bill would render nugatory all the years of toil and expenditure that had built up in the States the various Wages Boards, Factory Acts, and Courts of Conciliation. The Caucus, under the direction of Labor Conventions and Trades Councils, had decreed that the States could not go far enough in protecting the worker, by reason of the conservative attitude of the Legislative Councils. Therefore, the States must stand aside and surrender any pretence of industrial control. For the present they would be allowed the privilege of paying their employes such wages as the Federal Parliament might fix. There was no pretence of any loyalty to the Constitution, under which the States had surrendered much. There were powers in the 39 clauses of the 51st section of the Constitution which were yet unexercised. There was plenty of scope for action, but it was monotonous working within defined limits, and the Labor Party wanted something more than the deed of partnership gave them.

What was it that was held to justify this snatching at the powers definitely left to the States; this restless eagerness to belittle the splendid labors of the pre-federal conventions? Was it anything of grave national import which might excuse the risk of provoking strife between powers, each sovereign in its own domain? No, all the agitation swirled round a vortex which was the centre of most of the Labor legislation—rates of wages, and conditions of work. It was a resuscitation of the New Protection, on broader lines, untrammelled by that connection with the manufacturers which had been responsible for its previous failure.

The "Monopolies" Bill was uncalled for if it only aimed at the *control* of any business that might be called a monopoly. The first Bill gave that power; but it was the nationalisation of industries which the Caucus demanded, not their legal control. Before such drastic action as the Bill pointed to could even be contemplated, it was surely necessary to clearly define what was a monopoly. It had been found impracticable to do so, though attempts had been made in more than one American Legislature. There was no public sense of suffering under any such visitation, though one of the minor prophets of the Labor Party heatedly declared the Melbourne Tramway Company to be "the most baleful monopoly in Australia." The prospect of the Federal Parliament successfully running a line of omnibuses was too ludicrous to introduce into so serious a question. Mr. Irvine pointed out that, on the same lines, all the State railways were distinctly monopolies. Since it was found impossible to define conclusively what was intended to be meant by the use of so inexact a term, let it be left to the wisdom of Parliament to say what is a monopoly, and what is not, when such a question comes before it. The grotesqueness of such a preposterous solution of the difficulty must surely strike the voters. It was admirably put by Mr. W. H. Irvine, who said:—

In this Bill the Government are introducing a totally new and unprecedented element into the Constitution. It has always been one of the strong safeguards, not only of this, but of the British

Constitution, that the judicial function has always been kept separate from the wrangles of Parliament. That is the function which determines whether a particular man or company, or individuals or corporations, are doing right or wrong. By this amendment the Government are expressly making it a duty of Parliament to perform what is a highly difficult judicial function in the heated discussions, which necessarily take place in the course of its deliberations. They invite Parliament, as against a particular man, or company, or combination of companies carrying on their business, to deal with what is practically a presentment or information, charging them with doing in their business something contrary to law or justice. It is proposed that Parliament should, without hearing evidence, but simply on the kind of debate that we have, exercise the judicial function, and say, "Those individuals are carrying on an injurious monopoly, and therefore we are going to make what we call a law to prevent them." But it is not so much a law as the execution of judgment against them.

Remonstrances, warnings, even appeals for further consideration, were alike disregarded, and the parrot cry went up, "leave it to the people." So far as any impression was made on the few Ministerialists who could be got to attend, the speeches might as well have been "taken as read." One point, indeed, was gained in the face of surly opposition, when Mr. Irvine prevailed upon the House to insert the words, "on just terms," in the concluding lines of the clause. Without that addition, the verdict of Parliament in its new *rôle* of prosecutor, jury, and judge, might have been followed by sentence of confiscation, and the Government could have entered upon a well-equipped business without any preliminary outlay.

In view of the treatment already accorded in another place, the Opposition in the Senate declined to take any part in the debate. Senator Millen said that his party recognised that the Chamber had ceased to possess those features which entitle it to be regarded as a deliberative assembly. The Ministerial supporters were loud in denouncing these remarks as insulting and offensive, and demanding that the President should insist on their withdrawal. But the fact was so self-evident that the Minister for Home Affairs, Mr. O'Malley, had said a few months before that the Senate did not represent the people, and if Senators continued to interfere with measures sent up to them, "the time will come when we shall have to carry a resolution

that any Bill passed by this House shall instantly become law." And not alone was that feeling individually expressed. In November, in dealing with this very debate, their own organ, "The Worker," promptly followed up the charge by describing the employment of Senators as

spending a considerable sum of the people's money in the utterly useless occupation of saying ditto to the other House. While it agrees with the House, the Senate is useless; should it dare to differ with it upon any serious issue, it would be dangerous. Whichever course it takes, it is expensive and unnecessary. Sooner or later—and the sooner the better—it must pass away.

With all its overpowering Labor majority, thus was it estimated in the house of its friends. Unification under a single legislative chamber was to inaugurate the coming millennium. It rests with the people of Australia to say in April next, after four months' deliberation, whether they decide to violate the whole spirit of the Federal contract by concurring in these Bills becoming law. There is no medium course. They cannot accept some things and reject others. Most unfairly, the referendum demands a Yes or No. No question of such importance has been submitted to the people since they were asked to vote for or against Federation.

Minor Acts.

Within five months, the Parliamentary session of 1910 added 40 Acts to the Statute Book of the Commonwealth, and passed two more, which had to await ratification by the people. True, some of these were temporary Appropriation and Supply Acts; but in this session, those particular measures, owing to irregular procedure, often evoked more prolonged debate than matters of national importance. Many of these Acts were short, concise in verbiage, and direct of intent. By dint of suspending the Standing Orders, several of them slipped through all stages with startling rapidity. None of them has existed long enough to be judged by results; a brief summary, therefore, of their objects will be sufficient.

The sugar industry claimed two—one relating to Excise, the other to Bounty. When the bounty was first granted by the

Act of 1905, it was confidently predicted that the industry would be able to run alone in six or eight years, and the Government support was to be gradually reduced, and to cease altogether after 1912. It soon appeared how much easier it is to grant a bounty than to withdraw it. As the first instalments of reduction hove in sight, a wail of protest went up from the north, and the Fisher Government introduced the two Bills for the purpose of rescinding the conditions of the original Act, which limited the payment of the bounty to these few years. Advantage was taken of the opportunity to insert in the new Bounty Act the most up-to-date clauses as to conditions of work and rates of wages, compliance with which was necessary to entitle a claimant to consideration. Meanwhile, the consumer was required to continue to pay the £500,000 a year—the average bonus—because the industry was said to support 30,000 white men. If the numbers are not exaggerated, or the workers phenomenally unfit, it seems incredible that such an army should be unable even to supply local consumption. When that point is reached, there must come a pause, since, under existing conditions, it is impossible for the Australian grower to compete in the markets of the world. Here, again, the future is clouded by the fact that the power which directs the Government has decided that this is one of the industries which require attention when the Constitution Alteration Acts are passed.

The Department of Customs secured three Acts. One was a simple matter, dealing with the winding-up of the interstate book-keeping accounts. Another gave an equal authority for the supervision of exports, as was already in force with regard to imports. In view of the important place Australia was beginning to assume as an exporter of food products, it was essential to the reputation of the mercantile community that such shipments should conform to prescribed conditions as to purity and freedom from disease. The third Act purported to deal with tariff anomalies. The Protectionist papers declared that it did nothing of the kind, but only gave form and meaning to some of those decisions of Custom House officers which mercantile men had failed to understand. In any case, the clamant

Protectionists had to submit to a present defeat of their hopes; but they were consoled with promises of a vigorous tariff campaign next session.

Under the heading Shale Oil Bounties Act, another experiment in bonuses was launched. The consumption of kerosene oil in Australia is very large, imports in one year ranging up to twenty million gallons. It had been held objectionable to put a duty on an article in such general use—a plain necessity of every poor man's cottage. There were said to be abundant supplies of the raw material for its production in New South Wales and Tasmania. Reports were circulated of limitless areas of it in South Australia round about Lake Eyre. But the highest point reached in a year by the local production was 300,000 gallons, and, with a better article coming in duty free, the producers found there was nothing in the shape of profit to justify expansion. As its rival could not be taxed, the local article clamored for a bounty. The Commonwealth had already come to the aid of one derelict industry, and saved it from extinction by voting £150,000 for bonuses on the production of iron. There was quite as much ground for believing in the "millions of acres" of shale deposits as there was for describing the undeveloped iron ore as "inexhaustible." If the taxpayer was willing to help them into existence, the future of these industries might be of great importance when the country got population. Possibly, by that time, both of them would be Government monopolies, and trespassers from other countries would be effectually warned off. Meanwhile, the bounty of twopence per gallon, up to the extent of £50,000, during the next three years, was awarded to local refined kerosene, practically equivalent to a protective duty of 25 per cent. As there was only one producer, whose interest was generally believed not to be absolutely hostile to the dominant importer, the settlement of the whole business was refreshingly simple.

The Australian Industries Preservation Act was the third effort to satisfactorily amend the measure passed in 1906, with many predictions then of its unworkable conditions, which had been fully verified. Two attempts to prosecute firms, who were

supposed to have disregarded the law, had failed, the High Court declaring the Government proceedings *ultra vires*. Mainly, the difficulty had been that in the prosecution of any offending trader or corporation it was necessary to *prove* "intent to restrain trade to the detriment of the public." It was proposed to delete this condition. Such proof was almost unattainable; therefore, the amendment required the person suspected to prove his innocence. The Act provided that the entering into any combination, for what might appear restraint, in matters relating to trade and commerce, should be *prima-facie* proof of the intent, unless the persons charged could prove that such restraint was not to the detriment of the public, or was not unreasonable. It was the attitude often assumed by bankers of the old school—"treat every man as a rogue until he proves himself honest."

The Immigration Restriction Act was also the third attempt to amplify the stringency of the original Act passed in 1901, amended in 1905, and again in 1908. This version was mainly devoted to the further punishment of "stowaways," and the captains and owners of ships who failed to discover them, or, having found them, had dumped them ashore after the manner of the hardy mariner. Labor Members declared that many hundreds of impecunious persons, who had endured a few weeks' seclusion in the coal bunkers for a glimpse of the free soil of Australia, had surreptitiously invaded the Commonwealth. Official returns were ludicrously disproportionate to the figures upon which the fear of invasion was based; but even if only a dozen a year got in, somebody ought to be punished. Since captains and owners of ships are naturally even more unfriendly to "stowaways" than are Labor Members of Parliament, it would appear to business men that the object desired could easily have been effected by regulation. It would be difficult for foreign countries to realise that another special Act of Parliament could be required for so trivial a matter. However, the fact that there were weak spots in the fence, through which undesirable immigrants could sneak in, was not to be endured,

since it might, however infinitesimally, peril the aspirations for a White Australia.

The Postal Rates Act met with a curious reception, probably unprecedented where the object was a reduction of rates. The uniformity of a penny post, for half-ounce letters throughout Australia, was violently opposed by four or five revolted Labor Members, who, despite the smallness of their numbers, divided the House several times on amendments intended to block the reduction until the Post-office employés were better paid. The stream of talk that always surges round this question came up about sweating rates of pay, shameful hours of toil, managerial incapacity, and wholesale discontent. Beyond this particular issue, the dissentient five sought to show that the concession was not made to the demands of the people, who cared nothing about it, but for the benefit of merchants, bankers, and other embodiments of capitalism. These could well afford to pay double the present rates, and should be made to do so, until the postal staff was properly remunerated and happily content. Mr. Hughes was tolerant towards his rebellious followers. They were allowed their fling in posturing before their constituents. As the whole of the Opposition supported the Bill, this incipient revolt counted for nothing.

The other Acts passed were unimportant; but in the four Government Bills, which lapsed at prorogation, the Navigation Bill represented a great amount of work, spread over at least three sessions. Originally introduced in the Senate by the Deakin Government as far back as September, 1907, it had evoked a very prolonged and rather informative discussion, for its 70 clauses contained much debatable matter. Even in this session, the Senate had been at work upon it in Committee for some two months. But that body was a long way from the end, and it is very doubtful if even the next session will see it enrolled as an Act.

The closing week of the session was made the occasion of much angry display of temper over the belated production of

the Estimates, and the manner in which they were forced through, without any opportunity of properly considering them. They even included a large supplemental amount to make provision for payments in the first two months of the financial year 1911-12, because, owing to the probable absence of so many Members at the Coronation festivities, it was not anticipated that the next session could be opened till late in the year. The Treasurer's Budget had been submitted in September, and it had accomplished the unprecedented feat of estimating the revenue for 1910-11 at £16,841,629, and the expenditure at the same figure to a pound sterling. As soon as it was passed, under the pressure of an all-night sitting, the Treasurer had gone off to South Africa, and no opportunity was offered of criticising his figures in detail until within three days of closing the session. The Ministry, with their well-ordered majority, were impatient of discussion; they fell back on their strength, and after a continuous sitting of some forty hours, the Estimates were forced through by the very prostration of energy from physical weariness. The so-called debate on the country's expenditure began on Wednesday, and with brief intervals for refreshment, the sitting was not closed till 3 o'clock on Friday morning, the last day of the session. And many items in the proposed expenditure demanded that at least both sides should be heard. The allotment of £6000 for a cable subsidy to help journalistic enterprise that had a frugal mind, and did not want to pay for its news through the ordinary channels; the gratuity of £500 to the Labor Unions, towards the legal expenses they had incurred in unsuccessful litigation over the "Harvester" cases; and several other irregular sums, could only be protested against. It was a rather bedraggled and unpleasant ending for the first session of unchallenged Labor supremacy.

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In gathering up the threads of the five months' work, which established a record for the amount of legislation effected, it is worth noting the many eccentric by-paths into which Members

wandered when tired of the beaten track laid down for them in the Governor-General's Speech. Mr. Bamford, a Member for a Queensland constituency, brought down an elaborate Bill of 56 clauses for the purpose of breaking-up the whole scheme of Federation, and providing for the unification of Australia. It was an outrageous proposition, though it professed to be the result of petitions bearing 60,000 signatures. It was easy to see that its main object was to secure the abolition of the Legislative Councils of the States, which were rightly regarded as the only bulwarks against the coming Socialism. This was to be effected by substituting for the State Parliaments a number of glorified municipalities, called Provincial Councils, whose powers, strictly defined, may be said to be those which the Commonwealth Parliament declined to be bothered with. On the last day of the session, Mr. Bamford promised to revive the matter when Parliament next met. As a set-off to this bid for unification, Mr. Higgs, another Queensland Member, moved a series of resolutions for the division of Queensland into three separate States, each with local autonomy. In describing the great disadvantages under which the outlying portions of such a vast territory must lie, he made out a very good case; and he was certainly correct in saying that "the influences at work in the great cities of Australia are so strong that trade and commerce are centred in them to the starvation and arrested development of the country towns." But here, again, this stage was only reached on the last day, and the inevitable adjournment of the debate followed the speaker.

And there were many other proposals, not included in the programme, which provided a stimulus for the enthusiasm of individuals. Mr. Fuller proposed, in glowing terms, the erection at Yass-Canberra of a monument, which the combined talent of the greatest sculptors of the age should render a worthy trophy of the glory achieved by the district, as the home of Australia's legislative wisdom. Senator Rae, a member of the ultra-radical wing of the Labor Party, succeeded in getting a resolution passed by the Senate, abolishing any monetary

deposit by Parliamentary candidates. Mr. G. B. Edwards carried, by thirty-five votes to two, a resolution for the adoption of the decimal system for money, weights, and measures. He also moved for a recognition of the principle of Elective Ministries, and for taking a referendum on the subject of the salaries paid to Members of Parliament. But none of his proposals got beyond the region of talk. A motion by Mr. Finlayson, of Brisbane, prohibiting the sale of intoxicating liquors within the precincts of the House, formed the subject of discussion extending at intervals from the middle of August down to the last day of meeting, when the mover declared that though its adoption "would redound to the credit of this Parliament, and be a great step towards securing higher ideals," he could not press it further at that late stage. A resolution was carried in both Houses, that the British Prime Minister should be advised by cable of the beneficial effects which had resulted from the extension of the suffrage to the women of Australia. The Labor Party had every reason to be satisfied with it, certainly; but it seemed like a vague generalisation to commend specially the attitude of the ladies in "matters of Defence and Imperial concern"—an attitude of which there had as yet been no outward and visible sign.

Naturally, there was some lively interest manifested in the allocation of the £2500 placed on the Estimates to pay the passages of the eighteen representatives of the Commonwealth Parliament who were to be privileged to attend the Coronation as the guests of the British Government. It was the first occasion on which the Parliaments of the outlying dominions had been officially invited to be present at such a ceremony. It was to be hoped that the selected few would do credit to the country. It was not possible to name them before Parliament separated; but it was known that eleven were to come from the Labor ranks, and seven from the Opposition. After eliminating those who, like the Prime Minister, would have to go officially, and those who were unable or unwilling to go, it was assumed that the ballot would have to be resorted to. The solution is not yet reached.

The last really important matter that occupied the attention of Parliament on the closing day of the session, was the list of subjects it was proposed to submit for consideration at the Imperial Conference, to be held in London in May, 1911. There was certainly nothing in the selection to dissent from, so much so, that it looked as if all debatable matter had been excluded. They were rather vaguely general, and the suggestions were mildness personified, giving no indication of an intention to carry the war into the enemy's camp, after the manner of Mr. Deakin and Sir Wm. Lyne four years ago. The proposed subjects were briefly reviewed, generally with commendation, by several speakers. Mr. Deakin practically endorsed them all, though he was compelled to express his regret that the question of preferential trade, which loomed so large in 1907, had ceased to hold any place in the desires of his successors in office. The one notable blot on the discussion of these subjects was a speech by Mr. Higgs, who occupied half-an-hour with vulgar abuse of Mr. Deakin, emphasised by a long string of doggerel verses, that reduced the Chamber to the level of a tap-room. He sneered at the idea of any good resulting from Imperial Conferences, and said the only programme which the Australian delegates could submit was the platform of the Federal Labor Council, which he quoted at length. If they submitted anything else, it was without the authority of the people, or, at anyrate, of the majority of the people, as determined at the last election.

It is unfortunate that the curtain should have to be rung down on such an incident; but it must not be forgotten that the House had just passed through two consecutive all-night sittings, and Members were in a state of tension, very adverse to calm deliberation. In the history of the Commonwealth Parliament, there had never been anything like the mass of business transacted in the time, such as that which was rushed through on the 22nd, 23rd, and 25th November, almost without a pause, by day or night. When the end came, at 8.30 p.m. on 25th November, there were less than half the Members of the House

present to hear the formal compliments and good wishes of the season. The babel of voices was stilled for eight or nine months, for the real solution of the future of Australia has been relegated to the people, whose decision on the 26th April, 1911, will have an important, and probably a lasting, influence in making or marring the relations between the Commonwealth and the States.

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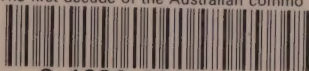
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